

**FBIS****DAILY REPORT  
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PRC INTERNATIONAL AFFAIRS  
GENERAL

A 1

ZHAO MEETS OUTGOING SOVIET, GABONESE ENVOYS

OW151154 Beijing XINHUA in English 1135 GMT 15 Mar 86

[Text] Beijing March 15 (XINHUA) -- Premier Zhao Ziyang met the outgoing ambassadors to China from the Soviet Union and Gabon, I.S. Shcherbakov and Aloise Mboumignanou Mbouya, on separate occasions here this afternoon.

INTERNATIONAL PANEL ON AFGHANISTAN HEARS EVIDENCE

OW161547 Beijing XINHUA in English 1437 GMT 16 Mar 86

[Text] Oslo, March 15 (XINHUA) -- Ashiqualla, a 10-year-old Afghanistan, might never been thought of giving evidence at an international forum, leaning on a walking stick, of Soviet atrocities in his country. Ashiqualla's right leg was badly wounded when Soviet troops attacked his home village two years ago, killing his father and sister. After a three-day arduous journey, he was moved from his home town in Kunar Province to Peshawar in Pakistan for medical treatment. His leg had to be amputated. He was then only eight years old.

At the second international hearing on Afghanistan which continued here today, the Afghan child's sad experience deeply moved all the participants who made an on-the-spot donation totaling over 6,000 Norwegian krone (840 U.S. dollars) for his further medical care.

The Soviet troops' crimes against Afghan civilians, especially children and women, were exposed when another witness, a general commander of the Afghan resistance forces, showed to the panel a Soviet-made toy with a hidden bomb. This is a type of weapons the Soviet invaders are using to kill Afghan children, he said. Three Norwegian medical personnel who have been to the war-ridden country also showed slides to the panel the skinny and ill-shaped Afghan children suffering from malnutrition.

The three-day hearing which started yesterday is sponsored by some Norwegian communities which oppose Soviet occupation of Afghanistan. Among those to give evidence at the hearing are resistance leaders, civilians suffering from the war, Soviet soldiers who defected in the Afghan battlefield, foreign correspondents and Norwegian medical personnel who have been to the country.

Representatives of the Afghan women, another group of victims also condemned the Soviet occupation with their own experiences. Nasery, a school teacher in Kabul, after being arrested for passing information to the resistance forces, was tortured with electric shocks, kept out of sleep for 13 days and forced to stand on one foot for four days in a same posture. Tajwar Kakar, another primary school teacher in the capital, also suffered from electric shocks and imprisonment simply because she refused to join a Karmal regime-sponsored organization.

Villages, schools and important agricultural areas are the major targets of attacks of the Soviet troops, Mohammad Khaleb, a resistance commander of Balkh Province, told the panel composed of people from various countries. He said a village in his province was bombed 27 times several months ago. 15 villagers were killed and more than 50 wounded, most of whom were children and women. Other resistance force leaders charged at the hearing that the Soviet invaders burned crops, blasted irrigation networks, poisoned the wells and tested their most sophisticated weapons. The previous international hearing on Afghanistan was held here in March 1983.

UN HEAD MEDIATES BETWEEN U.S., USSR ON PERSONNEL

OW131056 Beijing XINHUA in English 0630 GMT 13 Mar 86

[Text] United Nations, March 12 (XINHUA) -- U.N. Secretary-General Javier Perez de Cuellar today offered his assistance in consultations between the United States and the Soviet Union regarding the U.S. "order" that personnel be reduced at the Soviet mission to the United Nations.

On March 7, a note from the U.S. mission was delivered to the Soviet mission, demanding that the Soviet Union cut its personnel by a third within two years. The incident has touched off intense debates here in the U.N. Headquarters, and a flurry of consultations among the parties concerned. The secretary-general met with Ambassador Herbert Okun, deputy permanent representative of the U.S. mission and Ambassador Vasiliy Safronchuk, charge d'affaires of the Soviet mission separately on Monday afternoon regarding the matter. He saw the Soviet diplomat again yesterday.

In the meantime, U.N. legal experts have been busy preparing a position paper for the secretary-general. "The informal paper" prepared by the group concluded that "under the applicable law the matter is properly one which requires consultations," according to U.N. spokesman Francois Giuliani. The spokesman further informed reporters at today's noon briefing that the secretary-general, in his meetings on Monday, informed the respective American and Soviet representatives of the legal assessment of the situation, and handed over to both sides the informal paper.

"The secretary-general has expressed his readiness to be, even at this stage, of assistance in regard to such consultations," Giuliani said. The secretary-general met separately this morning Ambassador Gennadiy Oudovenko, permanent representative of the Ukrainian Soviet Socialist Republic to the U.N., and Oleg Pashkevich, charge d'affaires of the Byelorussian mission for further consultations. Both of the missions are going to be affected by the U.S. "order."

SHULTZ, RYZHKOV AGREE RELATIONS NOT SATISFACTORY

OW161048 Beijing XINHUA in English 0649 GMT 16 Mar 86

[Text] Stockholm, March 15 (XINHUA) -- U.S. Secretary of State George Shultz held talks with Soviet Premier Nikolay Ryzhkov here today and said neither Washington nor Moscow is satisfied with the developments since the superpower Geneva summit last November. The two leaders met here this afternoon for two hours after attending the funeral of slain Swedish Prime Minister Olof Palme, according to a report of the Swedish central news agency (TT). This is the first top-level meeting between the two countries since the November 19 Geneva summit.

Shultz said in an ensuing press statement, "both sides recognize the Geneva meeting as a 'good basis' for their relationship, but we agree neither of us is satisfied with the developments since that time". Shultz also said that there had been no progress on setting the date for a second summit between President Ronald Reagan and Soviet leader Mikhail Gorbachev. He said "we both expect the discussion will continue." Shultz disclosed he discussed the ban on nuclear test and the control of medium-range nuclear missiles test and the control of medium-range nuclear missiles with Ryzhkov, but no result was achieved. Their talks ended at six thirty this afternoon.

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P R C I N T E R N A T I O N A L A F F A I R S  
UNITED STATES

B 1

ZHAO ZIYANG MEETS U.S. ENERGY SECRETARY HERRINGTON

OW141443 Beijing XINHUA in English 1430 GMT 14 Mar 86

[Text] Beijing, March 14 (XINHUA) -- There is no reason for China to relax its reform, because the reform of the economic structure has brought about great and advantageous changes. Premier Zhao Ziyang made this remark at a meeting with visiting U.S. Secretary of Energy John S. Herrington here this afternoon.

Zhao said during the Seventh Five-Year Plan period China will continue to give first priority to its economic structural reform. Last year, he said, China made the first step in its urban reform. Generally speaking, the results have been quite good. "This year our main task is to consolidate, digest, supplement and improve the existing reform measures. We will make preparations for greater reform in the coming two years. So our reform will be carried out in a planned way and step by step," he said.

Zhao continued: "The aim of correcting some unhealthy tendencies and striking at criminal activities in economic fields is not to hamper the reform but to create better conditions for it." During the Seventh Five-Year Plan period (1986-90), China will continue to implement the policy of opening to the outside world and further expand its economic and technological cooperation with foreign countries, he added.

During the meeting, Herrington handed Premier Zhao a letter from U.S. President Ronald Reagan. He said that the U.S. Government attaches great importance to developing its relations with China. It is President Reagan's hope that the two countries will further expand their energy cooperation, he said.

Zhao asked Herrington to convey his greetings to President Reagan. He noted that Sino-U.S. relations have become comparatively stable in recent years and are continuously developing in a favorable direction. "The Chinese Government hopes that the two sides continue their efforts to this end," he added. Zhao said, although the Sino-U.S. agreement on cooperation concerning peaceful uses of nuclear energy has become effective, yet there still exist some hurdles to be cleared away. Only by doing so will the two countries be able to cooperate in this field, he added.

Zhao also exchanged views with Herrington on the construction of nuclear power stations and hydroelectric power station construction on the three gorges of the Yangtze River. Referring to China's nuclear power stations, Zhao said that a recent foreign newspaper report that China's policy on the construction of nuclear power stations has changed is groundless. Zhao said China's plan to develop its nuclear power stations in this century remains unchanged and it will cooperate with foreign enterprises in various ways.

Herrington told Premier Zhao that he had held talks with Minister of Water Resources and Electric Power Qian Zhengying on the three gorges project.

Zhao said the project will be the biggest of its kind in China, and has attracted world attention. "A great deal of preparation has been made by the Chinese Government. But some economic and technological hurdles remain," he said. Zhao said China will cooperate with foreign countries in technology, equipment and funds for the project.

Herrington and his party will leave here for Xian, Yichang and Shanghai tomorrow.

PRC HOSTS CONFERENCE ON U.S. ECONOMIC POLICY

HK140412 Beijing CHINA DAILY in English 14 Mar 86 p 2

[By CHINA DAILY staff reporter]

[Text] A two-day seminar on World Economic Prospects and Current U.S. Economic Policy opened in Beijing yesterday in the Great Hall of the People Wang Huijiong, research professor of the Centre for Economic, Technological and Social Development under the State Council, presided over the meeting.

At the invitation of the China Huayang Technology and Trade Corporation, Allen Sinai, chief economist and managing director of Shearson Lehman Brothers Inc and Richard Holbrooke, managing director of the firm, attended the seminar. More than 100 representatives from 36 government departments exchanged views at the meeting.

ZHANG JINGFU MEETS AMERICAN BUSINESSMEN 12 MAR

OW141306 Beijing XINHUA in English 1231 GMT 14 Mar 86

[Text] Beijing, March 14 (XINHUA) -- State Councillor Zhang Jingfu met Richard Holbrooke, managing director, and Allen Sinai, chief economist, of Shearson Lehman Brothers Inc. of American Express Company, at the Great Hall of the People today. Richard Holbrooke, who is U.S. former assistant secretary of state, and Allen Sinai came here for attending the seminar on World Economic Prospects and Current U.S. Economic Policy, organized by the China Huayang Technology and Trade Corporation.

FIRST RAILWAY JOINT VENTURE INAUGURATED

OW141620 Beijing XINHUA in English 1546 GMT 14 Mar 86

[Text] Shanghai, March 14 (XINHUA) -- The first Sino-Foreign railway joint venture was inaugurated in Shanghai, China's leading industrial center, today. Known as the Casco Signal Company Ltd., the 20-year joint venture is run by the China Railway Signal Company and the America General Railway Signal Company, with a total investment of 4.8 million U.S. dollars equally shared by both sides.

An official of the company said it will produce railway communication signals and equipment, contract for engineering designing at home and abroad, study and develop new techniques and products, and provide technical consultancy and maintenance in this field. The company will import advanced technology and equipment from the United States, and adopt its management to turn out quality products to meet the needs of both Chinese and foreign markets. The company's headquarters and its factory are in Shanghai, and it has agencies in Beijing and Rochester in the United States.

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P R C I N T E R N A T I O N A L A F F A I R S  
S O V I E T U N I O N

C 1

ARKHIPOV ARRIVES IN BEIJING, GREETED BY LI PENG

OW150303 Beijing XINHUA in English 0253 GMT 15 Mar 86

[Text] Beijing, March 15 (XINHUA) -- Ivan Vasilyevich Arkhipov, first vice-chairman of the Council of Ministers of the Soviet Union, arrived here this morning. Arkhipov is here to attend the first meeting of the Sino-Soviet Committee on Economic, Trade, Scientific and Technological Cooperation. The first round of talks dealing with general subjects will be held tomorrow morning.

Greeting him at the airport were Chinese Vice-Premier Li Peng, Vice-Minister of State Planning Commission Gan Ziyu and Vice-Minister of Foreign Economic Relations and Trade Wang Pingqiang. This evening, Li Peng will give a banquet in honor of Arkhipov.

Comments on Arrival

OW150519 Tokyo KYODO in English 0431 GMT 15 Mar 86

[Text] Beijing, March 15 KYODO -- Soviet Deputy Premier Ivan Arkhipov arrived here Saturday to attend a meeting on bilateral trade, economic relations and cooperation in science and technology. It will be the first meeting since the committee was set up in 1984. Arkhipov is the first senior Soviet Government official to come to China since the Soviet Communist Party congress early this month in which General Secretary Mikhail Gorbachev signaled a firm intention to improve Sino-Soviet relations.

In an arrival statement, Arkhipov said the Soviet Union has consistently wished to greatly improve relations with China. He described China as a great socialist country. Arkhipov said there is latent potential for bilateral cooperation that would be beneficial to both nations.

Asked if he had brought a personal letter from Gorbachev to Chinese leaders, the deputy premier said he would make a comment on the matter later. The committee's first session is scheduled for Monday morning. Arkhipov is expected to stay in Beijing until around March 23.

Talks With Li Peng

OW150637 Beijing XINHUA in English 0630 GMT 15 Mar 86

[Text] Beijing, March 15 (XINHUA) -- Chinese Vice-Premier Li Peng had a brief talk with Ivan Vasilyevich Arkhipov, first vice-chairman of the Council of Ministers of the Soviet Union, at the Diaoyutai State Guesthouse here this morning. Li told Arkhipov, "You are an old friend of the Chinese people and I hope you will have a pleasant stay in China. In addition to our working schedule in Beijing, we have arranged for you a visit to Nanjing and Wuxi where you may enjoy the beauty of Taihu Lake".

Arkhipov arrived here around 10 a.m. and he was greeted at the airport by Li who accompanied him to the guesthouse. Arkhipov told reporters at the airport that he is here to attend the first meeting of the Sino-Soviet committee on economic, trade, scientific and technological cooperation, and quite a number of questions will be on the agenda dealing with the development of cooperation in these fields. Speaking of the economic relations between the two countries, Arkhipov said the total value of bilateral trade in 1985 was 60 percent higher than that of 1984. This evening, Li will give a banquet in honor of Arkhipov. The committee will meet tomorrow morning.

## Li Peng Hosts Banquet

OW151448 Beijing XINHUA in English 1430 GMT 15 Mar 86

["Sino-Soviet Co-operation Has 'Great Potential'" -- XINHUA headline]

[Text] Beijing, March 15 (XINHUA) -- Sino-Soviet trade relations have developed well over the past few years due to efforts by both countries, Chinese Vice-Premier Li Peng said here tonight. He said they had also made a good start in rebuilding economic, scientific and technical co-operation.

Li was speaking at a banquet held here for Ivan Vasilyevich Arkhipov, first vice-chairman of the Soviet Union's Council of Ministers, who arrived earlier today to attend the first meeting of the Sino-Soviet Commission on Economic, Trade, Scientific and Technological Co-operation. The Chinese vice-premier said his government and people treasured the friendly sentiments between the two peoples, and sincerely hoped that the relations between their countries could be further improved on the basis of taking concrete steps and eliminating obstacles.

Li said China was pleased to see the development of co-operation between the two countries, and their increased exchanges in culture, education and sport. Their co-operation had "great potential" and "bright prospects". He planned to hold talks with Arkhipov tomorrow in his capacity as Chinese chairman of the Sino-Soviet Commission, and believed the meeting would be successful.

Arkhipov said Soviet leader Mikhail Gorbachev had stressed in his report to the 27th Congress of the Soviet Communist Party that he was satisfied with the improvement in relations between the Soviet Union and China. Gorbachev had pointed out that the two countries had different attitudes on certain international issues. They should be able to develop their relations on the basis of equality, while not jeopardizing any third country.

Arkhipov said it was good to see that links between their countries were growing in many areas, and last year they had held important talks at various levels. The implementation of the long-term agreement between the Soviet Union and China signed in December, 1984, and July, 1985, would contribute to the consolidation of mutual understanding and the improvement of bilateral relations. He said: "We regard the first meeting of the commission as a major event in the relations between our two countries. I am sure that our negotiations will be smooth and fruitful. The commission's work will result in improving the effectiveness of the links between the Soviet Union and China, and in developing their varied relations in a long-term and co-ordinated manner."

Arkhipov told reporters at Beijing's capital airport today that several matters concerning the development of bilateral economic co-operation and trade would be discussed at the commission's first meeting here. He said trade volume between the two countries was 60 percent higher last year than in 1984.

## Commission Holds First Meeting

OW160842 Beijing XINHUA in English 0824 GMT 16 Mar 86

[Text] Beijing, March 16 (XINHUA) -- The first meeting of the Sino-Soviet Commission on Economic, Trade, Scientific and Technological Co-operation began here this morning. Li Peng, Chinese vice-premier and Chinese chairman of the Sino-Soviet Commission, and Ivan Vasilyevich Arkhipov, first vice-chairman of the Soviet Union's Council of Ministers and Soviet chairman of the Sino-Soviet Commission, co-chaired the first round of talks.

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C 3

PRC INTERNATIONAL AFFAIRS  
SOVIET UNION

Informed sources said the two sides reviewed bilateral trade in 1985 and exchanged views on further development of the trade. Li Peng said China was satisfied with the big increase in trade volume between the two countries last year. But he noted there were some problems to be solved. Noting the bright prospects for Sino-Soviet trade, Li put forward some concrete proposals for the expansion of bilateral trade.

He said the Chinese Government was pleased to see certain improvement in bilateral relations, mainly in the fields of economy, trade, science and technology, education and culture. He expressed the hope that Sino-Soviet relations would further develop in these fields.

Arkhipov said he shared Li's appraisal of the co-operation between two countries in economy, trade, science and technology, adding that great development had been made in these fields. Noting the great potential ahead, Arkhipov hoped that the two sides would make common efforts to make greater and positive progress in their co-operation. The two sides also exchanged views on co-operation in new construction and renovation projects, transportation of goods exchanged and co-operation in the fields of science and technology, education and civil aviation. They also discussed holding exhibitions in each other's country and other matters. The second round of talks is scheduled March 18.

#### Arkhipov Meets Wan Li

OW170817 Beijing XINHUA in English 0758 GMT 17 Mar 86

[Text] Beijing, March 17 (XINHUA) -- Chinese Vice-Premier Wan Li met and feted Ivan Vasilyevich Arkhipov, first vice-chairman of the Council of Ministers of the Soviet Union, here at noon today. During their conversation, Wan described Arkhipov as an old friend of the Chinese people. "We are very glad that you are here to attend the first meeting of the Sino-Soviet Committee on Economic, Trade, Scientific and Technological Cooperation," he said.

This morning, Arkhipov visited the Capital Iron and Steel Company accompanied by Vice-Minister of the State Economic Commission Zhao Weichen, and in the evening he will attend a concert of Chinese well-known violinist Sheng Zhongguo at the Beijing Concert Hall.

#### BEIJING RUSSIAN VIEWS SINO-SOVIET TRADE TIES

OW161337 Beijing in Russian to the USSR 1800 GMT 15 Mar 86

["Pages of Friendship" program]

[Text] Dear comrades, today's talk will deal with the interesting topic of China's trade relations with the Soviet Union. Our country's policy of expanding foreign relations has facilitated the rapid development of foreign economic cooperation and trade. It covers not only Western and Third World countries but also the Soviet Union and East European socialist countries.

Trade between China and the Soviet Union was resumed at the beginning of the 1980s. There is a tendency to promote further growth. In 1981 the volume of Sino-Soviet trade amounted to 400 million Swiss francs; 600 million Swiss francs in 1982; and in 1983 and 1984 it increased to 1.6 billion and 2.6 billion Swiss francs respectively. Last year trade increased even more and its volume amounted to 4.6 billion Swiss francs.

Over a period of 37 years, Sino-Soviet trade went through three stages. The 1950s were a period of growth. In 1959, trade volume reached its highest point and amounted to 1.9 billion rubles. The 1960 and the 1970s were periods of decline and stagnation. Sino-Soviet trade started growing again in the 1980s.

China is conducting trade with the Soviet Union on the basis of equality, mutual benefit, and mutual exchange. The structure of exports and imports over the last few years clearly testifies to the mutually complementary character of our trade ties. Over the last 5 years, China supplied the Soviet Union with meat and meat products, fruit, soya beans, corn, textile, and light industry goods. The Soviet Union supplied China mainly with rolled steel, timber, ammonia, nonferrous metals, aircraft, machines, and various equipment. Now trade between the two countries is conducted on a goods exchange basis, so the foreign currency reserves of both sides are not affected. This kind of trade is very useful for both sides.

China and the Soviet Union are neighbors, have wide territories and rich resources, and great potentials for expanding trade. Geographically, China and the Soviet Union have a common border that is over 7,300 km long; they have rail and river transport and this makes it possible to save funds in the transportation of import and export goods. This is considerably more advantageous than buying similar goods from distant countries.

Border trade between China and the Soviet Union has been resumed and has flourished over the last few years. Our Heilongjiang Province and the autonomous region of Inner Mongolia in 1983 resumed border trade with neighboring regions of the Soviet Union. Last year its volume amounted to 70 million Swiss francs, 35 percent greater than in the preceding year and 3 times as much as in 1983.

The Far East regions of the Soviet Union import many things from Heilongjiang Province: pork, canned products, soya sauce, thermos flasks, towels, woolen blankets, fur caps, and other goods. Heilongjiang imports timber, soda, fertilizers, passenger automobiles, motorcycles, refrigerators and other goods from the Soviet Union. Trade in border points in Xinjiang Uygur Autonomous region, Korgas and Turugart has been expanding every year since 1983. Last year, the volume of import-export goods turnover amounted to 200,000 tons here.

A great event in Sino-Soviet trade was the signing by the PRC and the USSR Governments last July of an agreement on trade turnover and payments for the 1986-1990 period providing for a volume of Sino-Soviet trade in the coming 5 years of up to 35 billion Swiss francs, 3 times more than the past 5 years. China will purchase large-size electrical equipment, diesel locomotives, aircraft, machines, rolled steel, timber, and other goods from the Soviet Union and will supply it with soya beans, corn, fruit, tea, cotton fabrics, light industry products, local products, minerals, and chemical products. The agreement will contribute to the stable expansion of trade and economic cooperation between the two countries over a long period of time.

In the last 2 years, the Chinese and the Soviet sides carried out a considerable amount of work to develop bilateral relations. They exchanged delegations in the fields of air transport, coal, metallurgy power industries, and agriculture; organized various exhibitions of industrial samples; and held conversations on technical exchanges. Expansion of trade forces the two countries to face the common important problem of transportation. Both sides have already exchanged delegations and signed a protocol on PRC-USSR talks on transportation of foreign trade goods for the 1986-1990 period.

Gratifying progress has been made in the field of Sino-Soviet trade and there are wonderful prospects for its further development.

NODONG SINMUN LAUDS PRC'S ECONOMIC SUCCESS

OW140926 Beijing XINHUA Domestic Service in Chinese 1140 GMT 13 Mar 86

[ "China in the Eyes of Foreigners" -- XINHUA headline ]

[Text] Pyongyang, 13 Mar (XINHUA) -- Korea's NODONG SINMUN today carried an article entitled: "Creative Work and Glorious Achievements," which praises the tremendous achievements scored by the Chinese people during the Sixth 5-Year Plan period. The article says: During the Sixth 5-Year Plan period, China's production grew year after year, a new situation of stable and balanced development emerged in all sectors of the national economy, income of people in both urban and rural areas increased, and the people's livelihood improved markedly.

The article points out: The tremendous achievements scored by the Chinese people in all sectors of the national economy eloquently show the superiority of the socialist system. They are the fruits of the policy of building socialism with Chinese characteristics put forward by the Chinese party and government. They are also the result of the hard labor and creative work of the Chinese working people following this policy.

The article says: At present, the Chinese people are full of new hope and confidence and are determined to accomplish the Seventh 5-Year Plan starting from this year. A successful accomplishment of the Seventh 5-Year Plan by the Chinese people will play an important role in consolidating the socialist system, developing productive forces, promoting the four modernizations, and raising the people's living standards.

The article says that it is believed that the fraternal Chinese people will achieve even greater success in achieving the four modernizations.

DENG YINGCHAO MEETS JAPANESE ECONOMIC ADVISER

OW121810 Beijing XINHUA in English 1503 GMT 12 Mar 86

[Text] Beijing, March 12 (XINHUA) -- Deng Yingchao, chairman of the National Committee of the Chinese People's Political Consultative Conference, met Kaheita Okazaki, permanent adviser to the Japan-China Economic Association, and his party here today. Deng said she was very pleased to receive Okazaki, an old friend of the Chinese people, at her residence. Okazaki recalled his last meeting with Deng during his 1985 Dalian tour and said today he felt glad to meet her again.

Deng said the people-to-people contacts between the two countries started after new China was founded. Afterwards, the two countries resumed the normal relations. She noted the efforts made by Okazaki and other Japanese friends in the promotion of Japan-China friendship. Okazaki said the Japanese people are extremely grateful to the late Premier Zhou Enlai for his important contributions to the normalization of diplomatic relations between the two countries.

Deng said it was not only the late Premier Zhou, but also many Japanese and Chinese people who had made efforts to this end. "Sino-Japanese friendship, which goes back to ancient times, will last from generation to generation," she added.

CGDK ISSUES PROPOSAL FOR POLITICAL SETTLEMENT

OW170705 Beijing XINHUA in English 0647 GMT 17 Mar 86

[ "Proposal for Political Settlement of Kampuchea Issued" -- XINHUA headline ]

[Text] Beijing, March 17 (XINHUA) -- The Coalition Government of Democratic Kampuchea [CGDK] delivered a proposal today in Beijing for a political solution to the problem of Kampuchea. The proposal was read by Samdech Norodom Sihanouk, president of Democratic Kampuchea, after a cabinet meeting of the coalition government today. Sihanouk said the proposal is made for the sake of peace in Kampuchea, and peace and security in Southeast Asia and the Asia-Pacific region.

The proposal is based on the United Nations relevant resolutions adopted in the past seven consecutive years and the International Conference on Kampuchea Declaration in 1981, he added.

The full text of the proposal reads as follows:

One. The Tripartite Coalition Government of Democratic Kampuchea (CGDK) calls on Vietnam to get into negotiation with it in order to discuss about the process of the withdrawal of the Vietnamese troops from Kampuchea. We do not demand Vietnam to withdraw all its forces from Kampuchea at once. We accept the withdrawal of the Vietnamese forces from Kampuchea in two phases within a definite period of time. Other countries may take part in the negotiation according to their judgement in order to help bring about a political solution to the problem of Kampuchea.

Two. After the agreement on the process of the withdrawal of the Vietnamese troops from Kampuchea, there will be a cease-fire so as to allow Vietnam to withdraw its forces according to the said agreement.

Three. Both the withdrawal of the Vietnamese troops and the cease-fire must be supervised directly by a UN observer group.

Four. After the first phases of the Vietnamese troops withdrawal, Heng Samrin and his faction get into negotiation with the tripartite CGDK in order to set up a quadripartite Coalition Government of Kampuchea with Samdech Norodom Sihanouk as president and His Excellency Son Sann as Prime Minister in conformity with the spirit of the great national union and national reconciliation so that each of the four parties should have the same rights as political forces in the national community.

Five. The quadripartite coalition government of Kampuchea will hold free elections under the supervision of a UN observer group.

Six. Kampuchea will be restored as an independent, united in her own territorial integrity having a liberal democratic regime, peaceful, neutral and nonaligned country without any base of foreign troops on her soil. The Kampuchea's neutrality will be guaranteed by the UN with the presence of its observer group on the spot for the first two or three years.

Seven. Kampuchea welcomes all countries from West as well as from East and neutral and non-aligned countries to help rebuild the country.

Eight. As for Vietnam, Kampuchea independent, united in her own territorial integrity, peaceful, neutral and non-aligned, is willing to sign with it a non-aggression and peaceful coexistence treaty and to establish economic and trade relations between the two countries forever.

Press Communique After Meeting

OW170846 Beijing XINHUA in English 0830 GMT 17 Mar 86

[Text] Beijing, March 17 (XINHUA) -- A meeting of the Council of Ministers of the Coalition Government of Democratic Kampuchea (CGDK) was convened here today. The meeting, presided over by President of Democratic Kampuchea Samdech Norodom Sihanouk, was attended by Son Sann, prime minister of the CGDK, and Khieu Samphan, vice-president of Democratic Kampuchea in charge of foreign affairs, and other CGDK ministers.

According to a press communique issued after the meeting, the council called on the Vietnamese Government to put an end to its genocidal crimes against the Kampuchean people and stop its war of aggression against Kampuchea. The communique said that the meeting "proceeded with a firm conviction on the final victory of the struggle of the whole nation and people of Kampuchea for national liberation." It said that the Council of Ministers reviewed the military situation and expressed great satisfaction with the favorable development of the Kampuchean peoples struggle in the current eighth dry season.

The council congratulated the people of Kampuchea, the patriotic Khmer soldiers and the members of Khmer administration forcibly set up by the Vietnamese to serve their war of aggression in Kampuchea for their lofty patriotism by joining the resistance forces of the tripartite CGDK in the struggle against the Vietnamese aggressors. The council said that it had been greatly encouraged by the growing support of the international community given to the struggle of the Kampuchean people.

The communique said that the council, prompted by a genuine desire to seek a political solution to the problem of Kampuchea, had thoroughly examined and adopted a clear proposal on March 17 in order to bring about a political solution to the problem of Kampuchea. The council maintained that as long as Vietnam refuses to negotiate with the tripartite CGDK to settle the problem of Kampuchea by political means, the CGDK will continue to carry on resolutely its unswerving patriotic struggle. It said that the war of aggression not only sows immense destruction to the nation and people of Kampuchea but also brings destruction and sufferings to Vietnam and its people as well. So, the Vietnamese Government must respond positively to the CGDK's proposal for a political solution of the problem of Kampuchea by showing clearly its sincerity, the council said.

The council has decided to set up a military coordination committee to develop military cooperation among the resistance forces of the three parties of the CGDK on the battlefield at present as well as in the future.

It has also decided to set up a committee for press and information to diffuse the military results and successes of the tripartite coalition's resistance forces on the ground and the CGDK's activities. It denounced the so-called "exchange of instrument of ratification on the treaty of border delimitation Between Kampuchea and Vietnam," staged recently in Hanoi. It reiterated that CGDK has time and again rejected these so-called accords. The CGDK reiterated its appeal to the international community not to recognize this so-called treaty or any other accords between the Hanoi authorities and the Vietnamese administration in Phnom Penh.

The council expressed grave concern at the intensification of chemical and biological warfare by the Vietnamese aggressors during the current dry season. The council denounced these odious crimes of genocide committed by the Vietnamese aggressors against the Kampuchean people. It launched an urgent appeal to the international community to firmly condemn these genocidal crimes and take efficient measures to prevent the Vietnamese aggressors from exterminating the Kampuchean people through the use of chemical and biological weapons.

NEW ZEALAND'S LANGE INTERVIEWED BEFORE PRC VISIT

OW151935 Beijing XINHUA in English 1917 GMT 15 Mar 86

[ "New Zealand Prime Minister Discusses Aim of His Forthcoming Visit to China" -- XINHUA headline]

[Text] Wellington, March 15 (XINHUA) -- New Zealand Prime Minister David Lange has said that he is looking forward to receiving a detailed briefing on recent economic developments in China, and to learning China's views on international issues. Lange made these remarks in an exclusive interview with XINHUA on the eve of his visit to China scheduled for March 22.

"My main aim in going to China is to strengthen further the relationship and cooperation that are existing between our two countries," he said. "New Zealand has welcomed China's adoption of its open-door policy and the increasingly important role it is playing in regional and international affairs," he pointed out.

Referring to bilateral trade and economic cooperation, Lange said, with an increase in business contact, "China will be one of New Zealand's most important trading partners." The two countries agreed to double bilateral trade by 1990, he said. In fiscal 1985 ending June 30, New Zealand's imports from China rose by over 50 percent over the previous year.

For new China is New Zealand sixth largest export market.

About international peace and stability, particularly in Asia and the South Pacific region, Lange pointed out, "nuclear weaponry is inappropriate to the security requirements of the South Pacific region." He said "the South Pacific is remote from world's trouble spots. We in New Zealand share with our close neighbours, the island countries of the South Pacific, a determination that our region will not become the scene of rivalry between the superpowers. In particular we wish to avoid any threat of nuclear confrontation. This is why we have strongly supported the establishment of the South Pacific Nuclear Free Zone."

On the dispute over ANZUS problems, Lange said New Zealand upholds its policy that it does not allow nuclear weapons into its country. He said, "ANZUS is not part of a global nuclear strategy. The treaty says that in the event of an armed attack in the Pacific area on any of the three parties, each of them would act to meet the common danger in accordance with its constitutional processes. In New Zealand's case this would not include the use of nuclear weapons, because we are not a nuclear weapon state. In addition, New Zealand has specifically rejected any option to defend itself with nuclear weapons in the future or to be defended by the nuclear weapons of others."

Lange stressed that "our policy is appropriate to New Zealand's unique strategic circumstance. We do not offer it as an example to others." He added that "New Zealand is not drifting into isolationism or neutrality. We remain firmly committed to ANZUS and to the broader western community. We will continue to play our part fully as we have always done in upholding democratic values and western interests, particularly in our part of the world."

Lange concluded that "we believe, however, that the best way to safeguard peace and security of the Pacific is through strengthened regional cooperation aimed at promoting economic development and political stability."

CPPCC DELEGATION ENDS VISIT TO THAILAND

OW151040 Beijing XINHUA in English 0853 GMT 15 Mar 86

[Text] Bangkok, March 15 (XINHUA) -- The Chinese People's Political Consultative Committee (CPPCC) delegation headed by Lu Zhengcao left for home today after ending its week-long visit in Thailand. A farewell banquet was given by Lu, CPPCC vice president, in the Chinese Embassy yesterday evening. Present on the occasion were Ukrit Mongkhonawin, chairman of the Thai National Assembly, Praman Adireksan, chairman of the Chat Thai Party and Chatchai Chunhawan, chairman of the Thailand-China Friendship Association.

PRC SCIENTISTS ADDRESS DESERTIFICATION CONFERENCE

OW141924 Beijing XINHUA in English 1836 GMT 14 Mar 86

[Text] Canberra, March 14 (XINHUA) -- An international conference, which closed here today, called attention of various countries to desertification that threatens 35 percent of the earth's land surface and directly affects some 850 million people. The five-day Conference on the Economics of Dry Land Degradation and Rehabilitation were attended by 180 representatives and experts from more than 30 countries and five international organizations. It was co-sponsored by the United Nations Environment Program (UNEP), the East-West Center of Hawaii, the Australian Government and the Commonwealth Secretariat.

Speakers at the conference noted that one of the gravest challenges today is that many governments the world over have not yet given priority to the control of desertification. There lacks an effective management of the dry lands to conserve soil from water and wind erosion, and present salinization and waterlogging due to irrigation.

Dr Mostafa Tolba, executive director of UNEP, asked in his report: "How can the world countries arm themselves with sophisticated new weapons then say there is no money to help the poor stand up and fight the desert? How can governments from northern countries say it is financially unrealistic to stop the destruction of the crops and pastures? Are the guns and fighter planes that much more important than the land that feeds the people?"

A Thai representative said examination of different land management systems showed that exploitative monocropping is an undesirable practice. New cultivation techniques and rapid introduction of conservation farming systems are necessary. Dwelling on the importance of international cooperation to combat desertification, Chinese scientists presented two papers. One is on environmental effects of land-levelling plan, the other on aerial seeding techniques in China.

After discussions, four documents including the executive and technical guidelines for dry land and desertification management have been drafted at the conference. They will be further discussed later in regional meetings. Then, a conference will be held in Nairobi, Kenya, for the adoption of the documents.

ZHONGGUO XINWEN SHE APPLAUDS SINO-UK MEETING

HK141522 Beijing ZHONGGUO XINWEN SHE in Chinese 1341 GMT 14 Mar 86

["Short" commentary by ZHONGGUO XINWEN SHE reporter: "Fruits of Sino-British Friendship and Cooperation"]

[Text] Hong Kong 14 Mar (ZHONGGUO XINWEN SHE) -- The press communique released after the third meeting of the Sino-British Joint Liaison Group ended here today shows that both parties have attained positive results at the current meeting.

Since its establishment last year, the Sino-British Joint Liaison Group has held meetings in London, Beijing, and Hong Kong. The three meetings have made good progress. Both parties have reached agreements or reached a consensus on various issues, such as arrangements for the continued participation of the Hong Kong Special Administrative Region after 1997 in the Asian Development Bank, the GATT and international textile trade, the travel documents of Hong Kong residents, and the wording on the right of residence to be added on the documents. These substantive achievements involve important matters of Hong Kong's future relations with foreign countries and are closely related to Hong Kong's industry, commerce, and trade, as well as the life of its residents. They have strengthened the confidence of industrial and commercial circles on the future of Hong Kong and will certainly exert a far-reaching influence on the maintenance of Hong Kong's stability and prosperity.

The fact that the Sino-British Joint Liaison Group has accomplished so much in the first year of its work has fully demonstrated that the Chinese Government is implementing the Sino-British Joint Declaration with sincerity and faithfulness.

It has started from the basic and long-term interests of the Hong Kong people, and sought the cooperation of its British counterpart based on the wishes of the Hong Kong people, in order to ensure the implementation of the Joint Declaration and the fulfilment of the concept of "one country, two systems" in the future. It is groundless for some people to worry about the interference of the Chinese side with the administration of Hong Kong during the transitional period. The British side has cherished the same wish, therefore, many problems have been solved with ease.

The Hong Kong issue is left over from the history between China and Great Britain; and the successful solution of this issue requires the sincere cooperation of the two countries. Regarding the work progress of the Sino-British Joint Liaison Group, the cooperation between the two parties has been going well. The maintenance of Hong Kong's stability and prosperity is where the common interests of both countries lies, and their targets are one. It is hoped that the friendly cooperation between the two countries will make further progress. Obviously, the maintenance of Hong Kong's stability and prosperity requires the efforts of the Hong Kong people.

XU JIATUN HAILS SUCCESSFUL SINO-BRITISH MEETING

HK141532 Beijing XINHUA Hong Kong Service in Chinese 1416 GMT 14 Mar 86

[Handwritten item]

[TExt] Hong Kong, 14 Mar (XINHUA) -- This evening, Xu Jiatun, director of the Hong Kong branch of XINHUA NEWS AGENCY, held a banquet at Hong Kong's World Trade Centre in honor of the Chinese and British members of the Sino-British Joint Liaison Group.

The success of the third meeting of the Sino-British Joint Liaison Group, which concluded a short while ago, added to the brightness and gaiety. During the banquet, Xu Jiatun proposed a toast, praising the Chinese delegation headed by Ambassador Ke Zaishuo and the British delegation headed by Dr David Wilson for displaying a friendly, cooperative spirit and for reaching identical views on some issues concerning Hong Kong in the transitional period.

Xu Jiatun said: This is the first time the Sino-British Joint Liaison Group has held a meeting in Hong Kong. Thanks to the joint efforts of the Chinese and British delegates, experts, and other workers, identical views on Hong Kong, Chinese, and foreign matters have been reached through consultation in a short time. This is indeed heartening news.

Xu Jiatun pointed out: The frank, cooperative spirit displayed by the Chinese and British delegations and their fruitful work will certainly help enhance the Hong Kong compatriots' confidence about Hong Kong's future and will produce some far-reaching and profound effects. So long as they continue to work in this spirit, all problems concerning the transitional period, however complicated they may be, can be satisfactorily solved. In addition, the creative work of the Sino-British Joint Liaison Group will also contribute more to thoroughly and accurately implementing the "Joint Declaration" and to Hong Kong's stability and prosperity.

The 28 members of the Chinese and British delegations were all present at the banquet.

Also present on the occasion were Li Chuwen and Zheng Hua, deputy directors of the Hong Kong Branch of the XINHUA NEWS AGENCY; Ji Shaoxiang, acting chief of the agency's foreign affairs section; Chen Shipei, director of the visa office stationed in Hong Kong by the foreign ministry; and Sun Yanheng, the chief Chinese representative on the Sino-British Land Commission.

#### HONG KONG MAGNATE INVESTS IN SHIPPING FIRM

OW151358 Beijing XINHUA in English 1228 GMT 15 Mar 86

[Text] Hong Kong, March 15 (XINHUA) -- The Hong Kong-based Tung Shipping Group, one of the world biggest ship companies in financial troubles, announced yesterday of an injection of 120 million U.S. dollars into the group by local magnate Fok Ying-tung. Fok, a Standing Committee Conference, emphasized that his new investment was subject to an orderly restructuring of the Tung Group and will be made on a commercial basis.

In a joint statement issued yesterday, Fok will invest 20 million U.S. dollars in a "newbuild" shipping company, which will own the vessels being built but not yet delivered. He will also invest 100 million dollars in a new transport shipping company which will form the nucleus of the new container group. The two new companies would be an integral part of the restructured Tung group. As a result of the cash deal, Fok will become a substantial minority shareholder in the two new companies to be formed while C.H. Tung will continue to head the Tung group and manage the business.

Severe liquidity problems in the Tung group emerged last September, when the group's publicly traded arm, Orient Overseas (Holdings) Ltd (OOHL) suspended share trading in Hong Kong and financial advisers were called in to examine OOHL and the so-called private side of the group. The group's main banker, Hong Kong and Shanghai Banking Corporation together with the Bank of China had come to rescue with 400 million Hong Kong dollars as the first tranche of an emergency standby credit of 150 million U.S. dollar. With debts estimated to exceed 2 billion U.S. dollars, the Tung Group is believed to need a radical debt restructuring program.

The joint statement said, noting that the shipping industry is at the bottom of its historical trough, Fok considers this is a good opportunity to invest in that industry. Fok has substantial interest in Macao Tourism and Amusement, a group which includes among its assets the monopoly to gaming rights in Macao, as well as considerable hotel and property interests and the only public transport service between Hong Kong and Macao.

#### CONFERENCES IN CANBERRA ADDRESS DRUG TRAFFIC

OW141807 Beijing XINHUA in English 1620 GMT 14 Mar 86

[Text] Canberra, March 14 (XINHUA) -- Participants of two international conferences here agreed that strongest possible penalties for conviction of drug offences appear to be an effective deterrent to drug trafficking.

Cooperation was the theme of the second regional working party of the Enforcement Committee of the Customs Cooperation Council (CCC) held from March 10 to 12, and the first customs-police conference for the U.N. Economic and Social Commission for Asia and the Pacific Region from March 13 to 14 behind closed doors. Both fought illicit drug trafficking and other international crime. The two conferences, organized by the CCC in conjunction with Interpol, considered ways in which customs can trace, freeze and confiscate the proceeds obtained from drug crimes, and exchanged information against customs frauds.

The CCC, A specialized inter-governmental organization for the study of customs questions, has some 97 member countries from all over the world. The first regional enforcement committee working party was held in South Korea last year. Customs and police officers from Australia, Canada, China, India, Indonesia, Japan, Kiribati (a country in the West Pacific, formerly Gilbert Islands), South Korea, Malaysia, New Zealand, the Philippines, Sri Lanka, Thailand, Tonga, United Kingdom and the United States took part in the two conferences.

The conferences agreed that further meetings should be held in the region to focus on the development of coordinated efforts to identify and intercept drug traffickers, their organizations and criminals involved in commercial frauds.

#### OPLE HEADS NEW PHILIPPINE BREAKAWAY PARTY

OW151547 Beijing XINHUA in English 1454 GMT 15 Mar 86

[Text] Manila, March 15 (XINHUA) -- The formation of a new breakaway political party of the former ruling New Society Movement (KBL) was formally announced here today. Former Labor Minister Blas Ople, who was elected provisional chairman, told newsmen that the new party which will be officially known as "Partido Nacionalista Ng Pilipinas" (Nationalist Party of the Philippines), with independence and nationalism as its main thrusts, will serve as an opposition to the new government of President Corazon Aquino.

Ople claimed it has the support of "KBL majority", saying that 44 members of the parliament and "many" local officials have signified their intention to join. Ople said the new party broke away from the old KBL after its party chairman, deposed President Marcos, "had betrayed the trust not only of his nation but also of his own political party". Ople said their breakaway from Marcos' party was their own "act of contrition" for the "organized pillage" which the Marcos government committed against the Filipino people.

The new party issued a "statement to the Filipino people" which offers a 10-point program of "cooperation" to the Aquino government, including the proclamation of Mrs Aquino as the winner in the February 7 polls through constitutional process in the National Assembly. It also offered itself to be a "minority party ... to the fullest extent within the framework of a two party system," stressing that it has the best of the KBL as its members.

Ople said the new party is currently preparing its political platform, devising a selection process for its prospective members and planning to hold a founding congress.

BANGLADESH MINISTER ON LI XIANNIAN'S VISIT

OW151311 Beijing XINHUA in English 1136 GMT 15 Mar 86

[Text] Dhaka, March 15 (XINHUA) -- Bangladesh Foreign Minister Humayun Rashid Choudhury said here today that Chinese President Li Xiannian's visit to Bangladesh is a significant contribution to the relations between the two countries.

Li paid a three-day state visit to Bangladesh from March 8 to 11, the first ever by a Chinese head of state. At a press conference, the foreign minister said the visit was successful and very important in the development of friendly relations between China and Bangladesh. He said Chinese President Li and Bangladesh President H.M. Ershad had formal talks and shared "similarities of views on a wide range of international issues." He said an agreement on economic and technical cooperation was signed during Li's visit.

ECONOMIC, TRADE DELEGATION ARRIVES IN NEPAL

OW151326 Beijing XINHUA in English 1239 GMT 15 Mar 86

[Text] Katmandu, March 15 (XINHUA) -- A Chinese Government economic and trade delegation arrived here this afternoon to review economic and trade cooperations between China and Nepal. At the second meeting of the China-Nepal Intergovernmental Economic and Trade Committee to be held here.

Upon arrival at the airport, Chinese Assistant Minister of the Ministry of Foreign Economic Relations and Trade and head of the eight-member delegation Wang Wendong said both China and Nepal hope to further develop and promote the bilateral economic and technical cooperation and trade relations. Formed in 1983 to promote friendship and cooperation between the two countries, the inter-governmental committee held its first meeting in Beijing in December 1984. Since the first agreement of economic and technical cooperation signed in 1960, China has undertaken a total of 47 economic cooperative projects in Nepal.

## Economic Meeting Opens

OW161259 Beijing XINHUA in English 1215 GMT 16 Mar 86

[Text] Katmandu, March 16 (XINHUA) -- Nepal and China will further enlarge their cooperation in the days ahead in view of the increasing importance of South-South cooperation, Nepalese Assistant Finance Minister Daman Dhoj Chand said here today.

Speaking at the opening ceremony of the second meeting of the China-Nepal Intergovernmental Economic and Trade Committee, the minister hoped that the basic aim of the second meeting is to deal with some specific projects and look into new areas and avenues of mutual cooperation. Leader of the visiting Chinese delegation Wang Wendong, Chinese assistant foreign economic relations and trade minister, said since the first committee meeting held in December of 1984 in Beijing, bilateral relations and economic cooperation have been promoted.

Three groups are formed in the committee for further discussions on trade, economic and technical aid, and economic cooperation for mutual benefit. The China and Nepal Intergovernmental Economic and Trade Committee was formed in 1983 and holds meetings annually.

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P R C I N T E R N A T I O N A L A F F A I R S  
W E S T E R N E U R O P E

G 1

NETHERLANDS WARSHIPS END VISIT TO SHANGHAI

OW161456 Beijing XINHUA in English 1431 GMT 16 Mar 86

[Text] Shanghai, March 16 (XINHUA) -- A task group of the Royal Netherlands Navy under the command of Rear Admiral Jan D.W. van Renesse left here today, concluding its unofficial visit to China. During the five-day stay, the Dutch officers and men visited factories in Shanghai and played football and basketball matches with teams from the Chinese navel units stationed there. They also toured scenic spots and sites of historic interests in Hangzhou and Suzhou.

TRADE DELEGATION MEETS TURKISH VICE PREMIER

OW161908 Beijing XINHUA in English 1859 GMT 16 Mar 86

[Text] Istanbul, March 16 (XINHUA) -- Turkish Vice Premier Kaya Erdem said today he hoped the trade volume between Turkey and China would grow considerably just as bilateral political relations have grown in recent years. The vice premier told a visiting Chinese economic and trade delegation that his government is determined to do its best to expand the trade volume between the two countries. Turkey hopes to import more crude oil and other products from China, he said.

Economic and trade relations have developed rapidly in recent years, but the present volume of 200 million U.S. dollars is too small and should be increased to one billion, he said. Head of the Chinese delegation, Lin Zhongming, said during the meeting that the two countries have decided to double the 1985 bilateral trade volume figure in 1986. Lin, who is Chinese assistant minister of foreign trade and economic relations, said that the Chinese Government wants to develop economic and trade relations with Turkey on the basis of equality and mutual interest. The Chinese delegation arrived here March 9 to attend the fourth conference of the Turkey-China joint committee.

ZHAO ZIYANG MEETS DANISH PRINCE, RED CROSS GROUP

OW151513 Beijing XINHUA in English 1438 GMT 15 Mar 86

[Text] Beijing, March 15 (XINHUA) -- Premier Zhao Ziyang met a Danish Red Cross Society delegation here today led by society commissioner Prince Henrik, husband of Danish Queen Margrethe II. The prince visited China in 1979 and last year, and Zhao met the queen and prince during a visit to Denmark in 1984.

Zhao said that Denmark had been one of the first Western countries to recognize new China. Both countries had enjoyed long-term friendly relations and their relations had developed in all areas. The exchange of visits by leaders of the two countries, the development of economic relations and trade, and their cultural, health and sports contacts were of great importance to the strengthening of friendship between the two peoples and promotion of bilateral co-operation.

Prince Henrik said the Danish Government attached great importance to developing relations with China. His delegation wanted to exchange views with the Red Cross Society of China on people's welfare and health work, and to promote co-operation. Zhao asked him to convey his best regards to the Danish queen. The Danish visitors arrived here on Friday at the invitation of the host society.

ZHOU PEIYUAN MEETS BELGIAN PEACE DELEGATION

OW131409 Beijing XINHUA in English 1250 GMT 13 Mar 86

[Text] Beijing, March 13 (XINHUA) -- Zhou Peiyuan, vice-chairman of the National Committee of the Chinese People's Political Consultative Conference, met a Belgian peace movement delegation here this evening. Afterwards, Zhou, also president of the Chinese People's Association for Peace and Disarmament, gave a dinner for the delegation.

The Belgian guests arrived here on March 10 for a friendly visit to China at the invitation of the association.

AUSTRIAN PRESIDENT MEETS TRADE DELEGATION

OW160132 Beijing XINHUA in English 0127 GMT 16 Mar 86

[Text] Vienna, March 15 (XINHUA) -- Austria's President Rudolf Kirchschlaeger today expressed his satisfaction with cooperative relations between Austria and China in political, economic, trade, cultural and scientific fields. He hoped for further development of friendly relations between the two countries.

The president said this when he received the delegation of China Council for Promotion of International Trade led by its president Jia Shi. President of the Federal Economic Chamber of Austria Rudolf Sallinger and Chinese Ambassador to the country Yang Chengxu were present on the occasion. The Chinese delegation, which arrived here yesterday from Federal Germany, will hold talks with economic circles of Austria and visit some factories.

PRC PARTICIPATES IN LEIPZIG SPRING FAIR

OW161616 Beijing XINHUA in English 1502 GMT 16 Mar 86

[Text] Leipzig, March 16 (XINHUA) -- The annual Leipzig spring fair opens here today with the slogan of "promoting the world's trade and technological progress." More than 9,000 entrepreneurs from all parts of the world participate in the fair. Capital goods under 23 categories and consumer goods under 18 categories on display will acquaint visitors with scientific and technological development in the world's leading economic sectors. The fair focuses on products, equipments and technologies in machine-building industry.

China joins the fair for the 18th time. The Chinese pavilion covering an area of 500 square meters, will display electronic components, television sets and other household electronic appliances, telecommunication equipments, porcelain wares and art and handicrafts. The fair will last one week.

PARTY OFFICIALS MEET PORTUGUESE CP DELEGATION

OW141312 Beijing XINHUA in English 1232 GMT 14 Mar 86

[Text] Beijing, March 14 (XINHUA) -- Zhu Liang, head, and Li Shuzheng, deputy head, of the International Liaison Department of the Chinese Communist Party Central Committee, held talks with a visiting Portuguese Communist Party delegation here today. The talks went in a cordial and comradely atmosphere.

Consisting of Albano Nunes, member of the Central Committee of the Communist Party of Portugal, and head of the International Affairs Department, and Rogerio de Carvalho, member of the Portuguese Communist Party Central Committee, the delegation arrived here yesterday.

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PRC INTERNATIONAL AFFAIRS  
EASTERN EUROPE

H 1

ECONOMIC COOPERATION WITH SFRY PROGRESSES

OW131034 Beijing XINHUA in English 0700 GMT 13 Mar 86

[Text] Belgrade, March 12 (XINHUA) -- Yugoslav-Chinese economic cooperation has been set on a smooth course, notably over the past two years, though it still leaves much room for expansion, Federal Secretary for Foreign Trade Milenko Bojanic said here today. He told XINHUA in an interview that Yugoslavia is ready to achieve a better balance of trade by increasing imports from China rather than reducing exports to China.

Bojanic said that as a result of joint efforts, bilateral trade in 1985 totalled 189 million U.S. dollars, a 38-percent rise over the previous year. Of the total trade value, Yugoslavia's exports were worth 133 million dollars, 33.8 percent up from 1984 while its imports from China were valued at 56 million dollars, a 176.8 percent growth. The barter trade protocol for 1986, Bojanic continued, envisages a further expansion of trade between the two countries which have also concluded a trade accord for the 1986-1990 period and worked out a list of goods for long-term barter trade.

Under these documents, the Yugoslav foreign trade minister said, Yugoslavia is exporting to China ferrous metal products, cars, ships, chemical fertilizers, telephone cables and trucks; and it is importing from China crude oil, daily necessities, textiles, porcelain and machine tools. Apart from trade, Bojanic said, there has been also progress in cooperation in other fields over the past two years, particularly in industry. Seven out of 26 industrial cooperation projects were completed last year and 54 more projects are expected to be added to the undertaking with agreements for 20 of them having been reached, he said.

Bojanic noted that the existing very good political relations between the two countries provide broad opportunities for further economic cooperation in various fields. He hoped that such cooperation will keep momentum. Bojanic also expressed the hope that the forthcoming visit to China by Yugoslav President Radovan Vlajkovic will further promote the all-round development of relations between the two countries, including that in economic cooperation.

CULTURE OFFICIAL, SFRY ENVOY OPEN ART EXHIBIT

OW151206 Beijing XINHUA in English 1132 GMT 15 Mar 86

[Text] Beijing, March 15 (XINHUA) -- An exhibition of naive art from Yugoslavia opened at the China Art Gallery here this afternoon. Naive art has a history of 50 years in Yugoslavia. Works of naive art are painted by workers and peasants who have not received any formal education in art. They mainly take daily life as the theme of their creation and are good at depicting the scenes of beauty around them.

Most of the 82 displaying painting pieces of 11 artists were oil paintings on glasses, typical of naive art in Yugoslavia. The exhibition is run under the 1986 Sino-Yugoslav Cultural Cooperation Execution Plan. Chinese Vice-Minister of Culture Lu Zhixian and Yugoslav Ambassador to China Zvone Dragan cut the ribbon to open the ceremony. The exhibition will move to Shanghai next month.

LI XIANNIAN ARRIVES IN EGYPT FOR STATE VISIT

## Arrives in Alexandria

OW141351 Beijing XINHUA in English 1334 GMT 14 Mar 86

[Text] Alexandria, Egypt, March 14 (XINHUA) -- Chinese President Li Xiannian arrived in the Egyptian port city of Alexandria at 14:30 hours (12:30 GMT) today by a special plane after concluding his visits to Bangladesh and Sri Lanka. After the special plane landed at the Janaklis military airport near Alexandria, President Li Xiannian and his wife Lin Jiamei as well as his entourage drove to the Al-Muntazah Palace in Alexandria.

Greeting the Chinese president at the airport were Butrus Ghali, head of the Egyptian accompanying delegation and minister of state for foreign affairs, Labib Muhammad Zamzam, governor of Al-Buhayrah, Ahmad Salim, Egyptian ambassador to China, and Wen Yezhan, Chinese ambassador to Egypt, and their wives. President Li came to Egypt for a state visit at the invitation of Egyptian President Husni Mubarak. He will stay in Alexandria on a three-day private visit and is scheduled to fly to Cairo on March 17 to start his five-day official visit to Egypt.

## Meets Alexandria Governor

OW160833 Beijing XINHUA Domestic Service in Chinese 0118 GMT 15 Mar 86

[By reporters Zhu Ronggen and Gu Zhenglong]

[Text] Alexandria, 16 Mar (XINHUA) -- Egypt's Alexandria Governor Muhammad Fawzi Mu'adh and his wife paid a courtesy call on President Li Xiannian and his wife, Lin Jiamei, at the Al-Muntazah Palace here this evening. Governor Mu'adh expressed warm welcome to President Li. He said that President Li's visit to Egypt will strengthen the friendship and cooperation between the governments and peoples of the two countries. President Li said that he was pleased to visit the world's celebrated city of Alexandria. He indicated that his visit to Egypt, a friendly country, will help develop understanding and friendship and strengthen unity and cooperation.

Governor Mu'adh presented President Li with Alexandria City's gold key. Principal figures of President Li Xiannian's entourage, including Chen Muhua, Qi Huaiyuan, Lu Xueqian, and Wen Yezhen, Chinese ambassador to Egypt, were present at the meeting.

## Tours Historic Site

OW161243 Beijing XINHUA in English 1207 GMT 16 Mar 86

[Text] Alexandria, Egypt, March 16 (XINHUA) -- Chinese President Li Xiannian paid high tribute to the old civilization and wisdom of the Egyptian people when he visited the citadel of Qa'itbay today. Accompanied by Egyptian Minister of State for Foreign Affairs Butrus B. Ghali and governor of Alexandria Province Fawzi Mu'adh President Li Xiannian drove from the Al-Muntazah Palace where he is staying during his stopover here, to the citadel of Qa'itbay this morning.

The citadel, built in 1480 a.d. is situated on the original location of the old Alexandria lighthouse, one of the seven wonders of the world, which was destroyed in 1435 a.d. in a strong earthquake. Stone scraps of the lighthouse had been used to build the citadel which was named after the King Qa'itbay. The Chinese president went up to the citadel's platform and enjoyed a panoramic view of the beautiful city of Alexandria and the Mediterranean Sea.

Mu'adh told XINHUA Li's tour of the citadel was of "major importance", saying he believed it was the first visit ever made by a Chinese top leader to Alexandria.

Egyptian Commander-in-Chief of Navy Vice-Admiral 'Ali Jad called on president Li Xiannian this morning. They had a friendly talk. Li arrived in Alexandria Friday for a three-day private visit before he begins a five-day state visit to Egypt tomorrow.

#### Officials Welcome Li Visit

OW161324 Beijing XINHUA in English 1301 GMT 16 Mar 86

[Text] Cairo, March 16 (XINHUA) -- Cairo press has devoted much space in the past few days on Chinese President Li Xiannian's official visit to Egypt, which will begin tomorrow. President Li is now on a private visit in the Mediterranean port city of Alexandria.

'Ismat 'Abd al-Majid, Egyptian deputy prime minister and foreign minister, was quoted by local press as saying that Li's visit to Egypt "assumes particular significance as the Chinese president and President Mubarak will exchange views on bilateral relations, recent international developments and stability in the Middle East." Egyptian Minister of State for Foreign Affairs Butrus Ghali was quoted as saying in Alexandria where he was accompanying the Chinese guests that the Chinese president's visit "is significant as it reflects the close friendship linking the Egyptian and Chinese peoples and the desire of the two countries to boost their economic, technical and cultural relations."

Praising Li Xiannian's visit to Egypt, Egyptian Ambassador to China Ahmad Salim said, President Li is the first Chinese head of state to visit Egypt and he is making the visit on the occasion of the 30th anniversary of the establishment of diplomatic relations between the two countries. To mark the occasion, the Egyptian State Information Service published a book on China on the eve of the Chinese president's visit.

Faruq Shushah, noted Egyptian poet and commentator, told XINHUA that he wishes the friendship founded by late President Nasir and late Chinese Premier Zhou Enlai will develop further. A Chinese feature film "Blazdragonfly" depicting the romance of a young Chinese dress designer was televised in Egypt yesterday and a number of documentaries on thriving Chinese cities open to foreign investment are to be televised tonight.

#### Arrives in Cairo

OW170948 Beijing XINHUA in English 0928 GMT 17 Mar 86

[Text] Cairo, March 17 (XINHUA) -- Chinese President Li Xiannian arrived here today at 10:30 local time (GMT 8:30) to begin his five-day state visit at the invitation of Egyptian President Husni Mubarak. President Li, the first Chinese head of state to visit this country, was flown to Cairo in the Egyptian president's plane from the port city of Alexandria, where he had stayed for a three-day private visit.

A Chinese official in Li's party told XINHUA that Li's purpose in making the trip is to "promote mutual understanding and friendship, and enhance solidarity and cooperation."

#### Greeted by Mubarak

OW170959 Beijing XINHUA in English 0941 GMT 17 Mar 86

[Text] Cairo, March 17 (XINHUA) -- Chinese President Li Xiannian arrived here today at 10:30 local time (GMT 8:30) to begin his five-day state visit at the invitation of Egyptian President Husni Mubarak.

President Li, the first Chinese head of state to visit this country, is returning a visit to China made by President Mubarak in 1983. The 77-year-old Chinese leader, aboard President Mubarak's private plane, flew from Alexandria, Egypt's chief seaport and second largest city, where he had stayed for a three-day private visit.

Li, his wife Lin Jiamei, and his party including State Councillor Chen Muhua and other high-ranking officials, were greeted by President Mubarak and his wife Suzanne Mubarak at Cairo International Airport. Egypt is the third leg of President Li's five-nation Asian and African tour whose purpose is to promote mutual understanding and friendship, and enhance solidarity and cooperation. He has concluded his visits to Bangladesh and Sri Lanka and will go to Somalia and Madagascar.

In a written statement distributed upon his arrival, President Li appreciated the continuous development of the friendly relations and cooperation between China and Egypt in the past 30 years since the establishment of diplomatic relations in 1956. He stressed that "to further strengthen the friendship between the Chinese and Egyptian peoples and the friendly relations and cooperation between China and Egypt in various fields fully conforms to the interests and aspirations of the two peoples, and help maintain world peace and promote common progress."

During the visit, Li is expected to have talks with Egyptian leaders on bilateral relations and international issues of common concern, and to address the joint meeting of the Egyptian People's Assembly and the Shura Council. An official welcoming ceremony in honor of the Chinese leader will be held at the Al-Qubbah Palace this morning, followed immediately by talks between the two presidents. Li will also visit the ancient city of Luxor in upper Egypt, about 700 kilometers south of Cairo.

Receives 'Warm Welcome'

OW171056 Beijing XINHUA in English 1030 GMT 17 Mar 86

[Text] Cairo, March 17 (XINHUA) -- Visiting Chinese President Li Xiannian was given a warm welcome here this morning. A motorcade took the Chinese president, his wife and his party, in the company of Egyptian President Husni Mubarak and his wife Suzanne Mubarak, from the airport to the Al-Qubbah Presidential Palace at 11:00 a.m., where he will stay during the visit.

A festival atmosphere prevailed in the Al-Qubbah Palace decorated with flowers. Fluttering in a sunny breeze in front of the main building were the national flags of China and Egypt. When the two presidents took their places, the guard of honor saluted them. After the military band played the national anthems of China and Egypt, the two presidents reviewed the honor guard. Four Egyptian children presented bouquets to the two presidents and their wives.

President Li shook hands one by one with Speaker of the Egyptian People's Assembly Rifa'at al-Mahjub, Prime Minister 'Ali Lutfi and members of the Egyptian Cabinet as well as representatives from the Chinese Embassy and Chinese nationals working or residing in Cairo. After the ceremony, the two presidents had a courtesy meeting. President Li's wife Lin Jiamei, State Councillor Chen Muhua and Chinese Ambassador to Egypt Wen Yezhan and his wife were also present on the occasion.

CHINA DONATES 10,000 TONS OF GRAIN TO ETHIOPIA

OW122145 Beijing XINHUA in English 1540 GMT 12 Mar 86

[Text] Addis Ababa, March 12 (XINHUA) -- Chinese Ambassador to Ethiopia Zhang Ruijie today donated 10,000 tons of grain to the Ethiopian Relief and Rehabilitation Commission on behalf of the Chinese Government. Ambassador Zhang and Taye Gurmu, deputy commissioner of the Ethiopian commission formalized the donation in a ceremony held here today.

The ambassador said on the occasion: "We have observed with delight that under the leadership of the workers party and Chairman Mengistu, the Ethiopian people are exerting sustained efforts to overcome the effects of the severe natural calamity and develop agricultural production." Taye Gurmu thanked the Chinese Government for the donation of grain to this country. Since 1985, China has donated a total of 25,000 tons of grain, as well as supplies of blankets, medicine, food and farm tools to Ethiopia.

LEBANESE ENVOY AWARDS MEDAL TO DOCTOR IN BEIJING

OW141712 Beijing XINHUA in English 1601 GMT 14 Mar 86

[Text] Beijing, March 14 (XINHUA) -- Dr Ma Haide (George Hatem), has received the Order of the Commander presented by Lebanese President Amin al-Jumayyil in recognition of his contributions to medical and scientific research activities for mankind. The medal was presented to Ma Haide by Lebanese Ambassador to China Farid Samahah here this afternoon at the embassy.

Dr Ma studied medicine for several years in Lebanon and his parents were born there. Since he came to China in 1933 he has made outstanding contributions to the Chinese revolution and the Chinese people's health. At the ceremony he expressed his gratitude to the Lebanese Government and people for this great honor. He said that the honor is "not only for me personally but also is a recognition of the medical workers of the People's Republic of China who have worked for the wellbeing of their country." He noted that the Chinese people have great affection for the people of Lebanon. "I hope to continue to work for friendly relations and build more bridges of understanding and mutual support between the two countries," he added. Present were Kang Keqing, vice-chairman of the National Committee of the Chinese People's Political Consultative Conference, experts and professors from medical and scientific circles, as well as his wife, Su Fei, and his close friend, Rewi Alley.

LESOTHO MILITARY CHAIRMAN MEETS PRC ENVOY

OW150211 Beijing XINHUA in English 0202 GMT 15 Mar 86

[Text] Beijing, March 14 (XINHUA) -- Major General Justin Lekhanya, chairman of Lesotho's Military Council, met with Chinese Ambassador Mou Ping today in Maseru, capital of Lesotho. Lekhanya told Mou that Lesotho is working toward self-sufficiency, especially through rural development. Lesotho, he said, is pursuing a non-aligned policy advocating mutual respect for sovereignty and non-interference in other countries' internal affairs.

During the talk, Lekhanya asserted that Lesotho regards China as a true and good friend, and appreciates its assistance. Lesotho's new government, he said, cherishes the friendly cooperation between the two countries and will continue to improve it. Lekhanya said he expects Lesotho and China will strengthen cooperation in many fields, mainly in economics and technology.

ZHAO ZIYANG ATTENDS NPC PLENARY SESSION

OW151816 Beijing XINHUA Domestic Service in Chinese 0735 GMT 15 Mar 86

[Text] Beijing, 15 Mar (XINHUA) -- The 15th meeting of the 6th NPC Standing Committee held a plenary session this morning at the Great Hall of the People. Chairman Peng Zhen attended the session, which was presided over by Geng Biao, vice chairman of the Sixth NPC Standing Committee.

Documents submitted by the State Council for examination by the session included: A draft of the land law, revised draft regulations on public security control and punishment, and a consular treaty between the People's Republic of China and the Democratic People's Republic of Korea.

Regarding the motion on submitting the draft land law for examination by the session, Premier Zhao Ziyang said: In order to safeguard the socialist system of public ownership, to protect the legal rights and interests of landowners and users, to use the land economically and reasonably, and to speed up the socialist modernization drive, the Ministry of Agriculture, Animal Husbandry, and Fishery and other authorities concerned have drawn up a draft land law in accordance with provisions concerned in the Constitution and based on the actual situation in China and the results of their thorough investigation and study. Regarding the motion on submitting the revised draft regulations on public security control and punishment for examination, Zhao Ziyang said: The regulations on public security control and punishment promulgated in October 1957 no longer meet the country's current needs. In order to maintain social order, safeguard public security, protect the citizens' legal rights and interests, and improve the socialist legal system, the Ministry of Public Security has amended the regulations.

The motion tabled by Premier Zhao Ziyang said that the drafts of the two subject laws had been discussed and approved by the State Council. Entrusted by the State Council, Xiang Chongyang, vice minister of agriculture, animal husbandry, and fishery; and Ruan Chongwu, minister of public security, made respective explanations of the two drafts at today's session.

Regarding the motion on submitting the consular treaty between the People's Republic of China and the Democratic People's Republic of Korea for examination, Premier Zhao Ziyang said: State Councillor and Foreign Minister Wu Xueqian and Kim Yong-nam, vice premier and minister of foreign affairs of the Democratic People's Republic of Korea, signed the treaty on behalf of their countries on 26 November 1985. The treaty was reached through friendly negotiation between the two countries on the basis of a draft treaty submitted by each of the two parties respectively. An examination of the treaty showed that all provisions conform with China's current laws, regulations, and policies, as well as being in line with the actual situation in the two countries. The State Council approved the treaty. Entrusted by the State Council, Zhu Qizhen, vice minister of foreign affairs, gave an explanation of the treaty at today's session.

Today's meeting also heard a report by Liao Hansheng, vice chairman of the NPC Standing Committee and chairman of the Credentials Committee, on the examination of credentials of NPC deputies. Liao Hansheng said: Guangdong Province has nullified the eligibility of two deputies since the 14th meeting of the 6th NPC Standing Committee. In addition to 12 deputies to the Sixth NPC that remained to be reelected by the original election units, there were 14 deputies that remained to be reelected by the original election units. Eleven of these deputies have now been reelected by the original election units, and their credentials have been accepted. Due to the death on 10 March this year of Hu Wenxiu, a deputy elected by Shanxi Province, the Sixth NPC now has a total of 2,974 deputies. Four deputies remain to be reelected by the original election units.

Today's plenary session issued to all committee members for examination and approval the draft agenda of the fourth meeting of the Sixth NPC, draft namelists with explanation of candidates for the Presidium and secretary general of the fourth meeting of the Sixth NPC, a work report to be submitted by the NPC Standing Committee to the fourth meeting of the Sixth NPC (draft), and a draft namelist of members of the NPC Group for Bilateral Friendship With Foreign Countries.

Vice Chairmen Chen Pixian, Peng Chong, Wang Renzhong, Ngapoi Ngawang Jigme, Seypidin Aizezi, Zhou Gucheng, Yan Jici, Rong Yiren, Ye Fei, and Huang Hua attending the meeting. State Councillor Kang Shien was present at the meeting as an observer.

#### Public Order Law Explained

OW161201 Beijing XINHUA Domestic Service in Chinese 0836 GMT 15 Mar 86

[Excerpts] Beijing, 15 Mar (XINHUA) -- Entrusted by the State Council, Minister of Public Security Ruan Chongwu today explained to the 15th meeting of the 6th NPC Standing Committee the draft revised regulation of the People's Republic of China governing punishment for offenses against public order. He said: The regulation of the People's Republic of China governing punishment for offenses against public order passed by the 61st meeting of the 1st NPC Standing Committee on 22 October 1957 played a major, positive role in maintaining social order, safeguarding public security, and protecting the legitimate rights and interests of the citizens. However, great changes have taken place in China's political and economic situation since this regulation was promulgated 29 years ago. Particularly after the 3d Plenary Session of the 11th CPC Central Committee -- as China implements its policy of opening to the outside world and enlivening its national economy and as its economic structural reform centering on the cities deepens -- many new things and new problems in public order management have emerged. As a result, the old regulation is increasingly unsuitable for the changing situation. In view of this, we started revising the regulation in 1983.

He said: The guiding ideology we followed in revising the regulation is to further strengthen the management of social order, especially public order, in order to create a good social environment for reform as well as the four modernizations; to promote the building of socialist spiritual civilization through the regulation of people's social behavior; and to make this regulation both a criteria for self-education and self-discipline among citizens and a powerful weapon for public security organs in applying sanctions against illegal activities.

Regarding punishable public order offenses, Ruan Chongwu said: The draft contains 86 applicable items, 18 more than the original. The newly added items deal primarily with a number of prominent issues in public order management that have arisen in recent years, such as: disturbing public order; looting small quantities of state, collective, and personal properties; harboring, reselling, and purchasing stolen goods; speculating in negotiable instruments or securities; and violating the control of fire, dangerous articles, and narcotics.

Touching on punishment against social order offenses, he said: Social order offenses refer to acts of disturbing social order, hampering public safety, infringing on the personal rights of citizens, or damaging public or private properties which do not constitute a criminal offense because of their lack of seriousness and which are punishable under this regulation. In other words, it refers to those illegal activities which disturb social order and cause some damages but which are not punishable under criminal law. Meting out due punishments against a very small number of activities that undermine social order or interfere with the rights and interests of others is in the interest of the overwhelming majority of the people.

Our country is a socialist country with the people exercising democratic dictatorship. Our Constitution provides guarantees for the freedom and democratic rights of our citizens. However, this freedom is freedom under leadership, and the democracy is democracy under centralized guidance. They do not mean anarchy, which runs counter to the interests and wishes of the people. It should also be pointed out that this regulation is enacted not simply for the sake of punishment. The more important thing is to educate the vast numbers of people to consciously observe law and discipline in their social life. In this sense, punishment is only a necessary supplement to education.

#### Land Law Detailed

OW161423 Beijing XINHUA Domestic Service in Chinese 0815 GMT 15 Mar 86

[Excerpts] Beijing, 15 Mar (XINHUA) -- Entrusted by the State Council, Xiang Chongyang, vice minister of agriculture, animal husbandry, and fishery, gave an explanation of the draft land law of the People's Republic of China this morning at the 15th session of the 6th NPC Standing Committee.

Xiang Chongyang said: A great population with a small acreage of farmland is a basic characteristic of our country. In our country, both the average area of land for each person and the average cultivated acreage per capita are far below the world's averages. For a long time, however, under the "left" influence, there has been an insufficient understanding of the consequences of expanded population and reduced acreage of farmland. As a result, the phenomena of indiscriminate use, abuse, waste, and destruction of land resources have been relatively common. In some instances, land has even been bought and sold or leased, thus disrupting to a serious extent the socialist system of public ownership of land. This has made even more acute the problem of too many people but too little land. Now the issue of land administration must be resolved. Failure to take resolute measures to tighten up land administration would not only affect the development of our national economy in the immediate future, but would also jeopardize the fundamental prerequisite for the livelihood of future generations. In view of this, the guiding thought in drawing up the draft land law is to highly treasure and make rational use of every inch of the land, to effectively protect the farmland, and to safeguard China's socialist system of public ownership of land by means of administrative, economic, and legal measures.

With regard to land ownership and the rights to use land, Xiang Chongyang said: Based on the Constitution, the draft land law stipulates that in our country there are two kinds of socialist land ownership; namely, ownership by the whole people (ownership by the state) and ownership by collectives of laboring masses. All legal ownership of land and rights to use land are protected by the state law and should not be infringed upon by any organization or individual. When collective-owned land must be requisitioned to meet the needs of national construction, necessitating a change in the ownership, it is necessary to file an application for land requisition to the authorities concerned for approval according to the law. The requisitioned land is then owned by the state, and the unit or individual using it has only the right for its utilization. As for disputes over land ownership and rights to use land, the draft land law also contains specific procedures for their settlement.

He said: For a long time, our country has had no strict system for land administration. With the implementation in rural areas of the contract system linking remuneration to output and with the vigorous development of urban and rural construction and village and town enterprises, there has been a remarkable improvement of the people's living standards in both the cities and countryside. On the other hand, however, problems on using land have become more striking.

Since 1981, the State Council has, on separate occasions, promulgated the "regulations governing the requisition of land for national construction" and the "regulations on administration of land for housing construction in villages and towns." Several circulars on dealing with illegal use of land and on banning purchases, sales, and lease of land have also been issued. These have had a certain effect on checking the practice of indiscriminate use of farmland for other purposes. Nationwide, however, the problems of indiscriminate use and abuse of farmland have not been resolved. What is more, such problems have increased sharply in some localities. On some provinces, municipalities, and autonomous regions, the reduction in farmland acreage each year is equivalent to the cultivated land of a medium-sized county. Since liberation, the population of our country has been growing each year, while the acreage of farmland is reduced annually. Were this state of affairs allowed to continue, the consequences would be dreadful to contemplate. For this reason, it is a common demand that resolute measures be taken by the state to tighten up land administration.

Referring to the collection of land tax and the land-utilization fee, Xiang Chongyang said: Since liberation, use of nonagricultural land has been basically free of charge in our country. Practice has proven that this is not in the interest of treasuring land and making economical use of it and is one of the major causes of indiscriminate use, abuse, and waste of land. The consensus is that besides taking administrative and legal measures as in the past, it is particularly necessary to step up the use of economic measures for land administration. Land tax should be levied at different rates according to the purposes and grades of land. In addition, a land-utilization fee should be collected in urban areas.

He said: The land issue involves a wide range of questions, and many problems have to be resolved. Especially in our country, it is of special significance to tighten up land administration as a fundamental national policy. It is for this reason that a decision has been made to establish a State Bureau of Land Administration as an organ directly under the State Council. This bureau will exercise centralized administration of the land in the whole country according to the law. Based on the principle of unified land administration, local people's governments at all levels above the county should set up corresponding land administration organs and try to improve them until they are perfect.

Xiang Chongyang said: The land law is a fundamental law on land that our country has formulated since the founding of the People's Republic. It is impossible for all questions to be covered by highly specific provisions in the law. This issue has to be solved by enacting, promulgating, and putting into effect regulations for the implementation of this law. Because of this, the supplemental provisions of the law state that the State Council will enact regulations on implementation of the land law to cover specific questions concerning the implementation of this law. On the basis of the land law and the relevant land regulations promulgated by the State Council and according to the actual situation in various localities, all provincial, regional, and municipal governments should work out their own detailed measures for land administration. In this way there will be perfect and well-coordinated regulations and detailed measures for implementing the land law.

#### NPC Agenda Considered

OW150940 Beijing XINHUA in English 0929 GMT 15 Mar 86

[Text] Beijing, March 15 (XINHUA) -- A draft agenda for the fourth session of the Sixth National People's Congress (NPC), to be held in 10 days' time, was submitted to the 15th meeting of the NPC Standing Committee here today. On the agenda are the following items:

--Examination and approval of the report by Premier Zhao Ziyang on the Seventh Five-Year-Plan (1986-1990).

--Examination and approval of the report on the execution of the 1985 state budget and the 1986 state budget (draft).

--A draft of the general principles of China's civil code, and draft laws on compulsory education and enterprises financed by foreign firms.

--Examination of work reports on the NPC Standing Committee, the Supreme People's Court and the Supreme People's Procuratorate.

At today's session, Vice-Chairman of the NPC Standing Committee Liao Hansheng delivered a report on the qualifications of the deputies chosen at a by-election. He noted that since the last session of the NPC Standing Committee, in addition to 12 vacancies at that time, two more seats have become vacant due to the dismissal of two deputies from Guangdong Province. The NPC has altogether 2,978 seats, with four vacant ones. A proposal for a 161-member presidium and a secretary general for the coming session was also presented for deliberation here today. Also submitted was the work report on the NPC Standing Committee to be presented to the coming session.

#### SELECTING CADRES WITH POLITICAL QUALITY STRESSED

HK141414 Beijing RENMIN RIBAO in Chinese 13 Mar 86 p 1

[Commentator's article: "In Selecting and Promoting Cadres, It Is Necessary To Pay Attention to Their Political Quality"]

[Text] Paying attention to political quality in selecting and promoting cadres is an important principle of our party in using people. Over the past few years, in line with this requirement, the party committees and organization departments at all levels have selected and promoted a good number of cadres who possess both political integrity and ability and are in the prime of life. However, the phenomena of failing to conscientiously examine political quality in using people still exist in some localities and units. Therefore, it is necessary to stress once again that we should not neglect the political quality of cadres.

Paying attention to political quality in selecting and promoting cadres is necessary for the correct implementation of the "four transformations" of cadres. Making the ranks of cadres more revolutionary, younger in average age, better educated, and more professionally competent is an entity. Not a single one of these requirements can be dispensed with. Making cadres more revolutionary is a political standard for using people, a requirement for cadres' political orientation, stand, and character and style of thinking, and a precondition for the other "three transformations" of cadres. Making cadres younger in average age should be based on both political integrity and ability. Making cadres better educated and more professionally competent constitutes a basic requirement for the cadres' ability and professional competence in the new period. The four "transformations" of cadres have closely integrated the principle of appointing people on merit, which our party has consistently adhered to, with the requirement of socialist modernization and the need to achieve cooperation between old and new cadres and succession of the new to the old, expressing them in concrete terms.

Some comrades hold that, in using people, we should concentrate on assessing their "ability" because "political integrity" is of no importance. A small number of comrades even hold that stressing revolutionization will stifle competent people. These views are wrong.

In his speech at the National Conference of Party Delegates, Comrades Deng Xiaoping pointed out: "What is most important for the young and the middle-aged cadres in succeeding to the old is to emulate their heroic spirit of maintaining the revolutionary struggle." We are now engaged in the socialist modernization program. We are carrying out a comprehensive reform, implementing a policy of opening up to the outside world and invigorating the domestic economy, and adhering to the building of two civilizations. In selecting and using leading cadres, it is even more necessary to attach great importance to the requirement of making the ranks of our cadres more revolutionary. Naturally, stressing the revolutionization of cadres does not in the least mean looking down upon the requirements of making the ranks of cadres better educated and more professionally competent, still less does it mean returning to the old track of "taking class struggle as the key link." It is aimed at promoting the work of making the ranks of cadres better educated and more professionally competent by making them more revolutionary.

What is the standard for judging the political quality of cadres? Is there a unified standard? Yes. Comrade Deng Xiaoping explicitly said: "What is the political standard for using people? The major political standard is to work for the benefit of the people and to make positive contributions to the development of the productive forces and the cause of socialism." This political standard is completely in keeping, in basic spirit, with what Comrade Deng Xiaoping and other central leading comrades have repeatedly said, namely, in using people it is necessary to see whether they have a strong party spirit, whether they can adhere to the four basic principles and resolutely implement the party's line, principles, and policies, and whether they have lofty ideals, more integrity, education, and a sense of discipline. Not long ago, when talking about the question of young and middle-aged cadres succeeding to the old, Comrade Deng Xiaoping also pointed out: "They should not only be young, have professional knowledge, and be able to solve problems, but should also have a good work style. They should serve the people wholeheartedly and go deep among the masses of people to listen to their voice. They should dare to speak the truth, oppose the practice of telling lies, should not pursue false fame but rather the achievement of more actual deeds. They should make a clear distinction between what is public and what is private and refrain from trading principles for the sake of human relationships. They should appoint people on merit and oppose the practice of appointing people by favoritism." These requirements embody the spirit of the most important political standard.

In line with the party's political standard for selecting cadres in the new period, "people of the three categories" left over from the "Great Cultural Revolution," people who oppose and refuse to implement the party's line, principles, and policies drawn up since the 3d Plenary Session of the 11th CPC Central Committee, people who have conducted political and ideological liberalization, and people who have seriously violated discipline and laws in the economic field must absolutely not be selected; and those who do not have communist ideals, who do not observe party and administrative discipline, who are seriously individualistic, who indulge in exaggeration, who fail to do actual deeds, who lick other people's boots, who employ trickery, and who even adopt underhanded means and curry favor in order to pursue fame and gain and get official posts must not be selected either. Although some cadres can keep themselves within the bounds of the party's political and organizational principles and refuse to be contaminated by evil influences, they turn a blind eye to and do not carry out resolute struggle against unhealthy practices of other people or words and deeds violating the five basic principles. Strictly speaking, these cadres do not live up to the political criteria on selecting cadres.

No matter what the political quality of cadres is, investigation and assessment of cadres can be made by finding out about their actual situation. In investigation and assessment work, the mass line must be applied. Zhang Yanghao of the Yuan Dynasty had this to say: "The duty of a prime minister is to use talented people. How can he know that the one he will use is talented? By asking other people, investigating his deeds, and observing what he has done."

In judging cadres' political quality, we should also "investigate their deeds" and "observe what they have done." Of course, this must be done under the guidance of the party's political standard for selecting cadres in the new period. It is necessary to pay close attention to whether the cadres to be selected can resolutely implement the central authorities' principles and policies and to whether they creatively do their work in the light of the specific conditions in their regions and units.

We should also examine whether they use their powers for the interests of the public or abuse their powers for personal gain and whether they take account of the overall situation and put the interests of the state and the people above everything else in handling the relationships between the state, the collective, and the individual. In judging cadres' political quality, we should not merely rely on our "mental discernment" but should also "ask other people." Not only should we ask other leading cadres and comrades in organizational departments, we should also solicit opinions from people in and outside the party. In this way, we can prevent ourselves making incomplete judgments due to failure to understand cadres thoroughly and profoundly.

#### LEADING CADRES WITH GOOD PARTY STYLE PRAISED

HK140359 Beijing RENMIN RIBAO in Chinese 8 Mar 86 p 1

[Commentator's article: "May There Be Scenes of Spring All Over the Wilderness of the Motherland"]

[Text] "Mean alleys know the arrival of spring." The deeds of Comrade Chen Yuying, secretary of the Changzhou CPC Committee, fill people with confidence and hope. Chen Yuying willingly stays in a seedy alley, deeply involved with the masses and devoted to promoting their welfare. Do we not see very clearly in Comrade Chen Yuying the flesh-and-blood ties between our party and the people, sharing joys and sorrows? The party is in an unassailable position in relying on such ties. Through such ties, the masses judge our cadres and our party. The hopes of our cause lie in these ties.

The warmth of spring caressing our party comes from these ties. Comrade Chen Yuying's ideological style, work style, and life style embody the communists' inherited fine tradition. It is the tradition of wholeheartedly serving the party and not for a moment staying away from the masses. This, of course, does not mean that cadres cannot live in high-rise buildings and cannot ride in sedans. Rather, it means that we must cherish the spirit of "being the first to worry about the worries of the world and the last to enjoy the delights of the world." Living in a highrise building, we must still prove capable of finding our way to rundown alleys. Ensnioned in a sedan, we must also prove capable of squeezing our way. This is not too hard a demand on us, except for the aged and the weak. When the airs of an official drop, unhealthy practices will also drop. Only in this way can work be handled still better. A great man of letters in the Song Dynasty, Xin Qiji, wrote: "As officials in the city worry about wind and rain, the masses of people in the countryside can bask in the warmth of spring." There is quite a bit of philosophy in this that merits our contemplation!

Within our party, there are many leading cadres that cherish this good style of Comrade Chen Yuying. They can be found in localities, PLA units, central organs, and everywhere. Precisely because we have a large army of such good cadres, we have the confidence and the strength to triumph over unhealthy trends and build a good party style. If we promote and carry forward the spirit of myriads of good leading cadres like Chen Yuying, willing to stay in mean alleys and be close to the masses, then will not the warmth of spring forever caress the hearts of myriads of people and will the glow of spring not reach every corner of the motherland's countryside?

LIAOWANG ON USING CRIMINAL CASES FOR EDUCATION

HK150714 Beijing LIAOWANG in Chinese No 9, 3 Mar 86 p 4

[Commentator's article: "Use Major and Important Cases To Educate Party Members and Cadres"]

[Text] The communique of the Seventh Plenary Session of the Central Discipline Inspection Commission points out that it is necessary to make full use of the negative examples of the typical cases to conduct education in party spirit, party style, and party discipline among party members and cadres. This is an important measure in the present efforts to straighten out the party style.

Recently, a number of serious and major cases have been handled and reported by newspapers in various areas. They include the Du Guozhen fraud case in Fujian Province; the power-abuse case of Ma Xueliang, former director for the Beijing Municipal Public Utilities Bureau; the bribe-taking case of Yu Xilun, former party secretary of the Guangdong Provincial Medicinal Herbs Company; the smuggling case of the Guangyu Company of the Ministry of Astronautics Industry; and the rape and indecent assault case of Chen Xiaomeng and Hu Xiaoyang in Shanghai. These cases not only include some startling crimes, but more importantly, they also give people some painful lessons that bureaucratism in some departments has caused serious losses to the state and that some party members and cadres cannot withstand the influence of the bourgeois ideology in the course of opening up and enlivening the economy and have embarked on the road of degeneration and crime. The serious and major cases can be taken as negative examples which may provide food for deep thought and may teach people a lesson.

The two main ways to straighten out our party style are first to deal with the law-breaking cases and second to conduct education. The handling of the cases should also serve as education.

When we talk about education among party members and cadres, some comrades tend to pay attention to the method of positive reasoning and the use of positive examples. Of course this is necessary, but it is not enough. We must also pay attention to the use of negative examples in education, because negative examples can play a role that positive education cannot play. For example, people may have heard many times about the harmfulness of the unhealthy tendencies and the urgency of checking the unhealthy tendencies, but they may still not deeply understand this, or a small number of people may simply turn a deaf ear to this positive advice and continue their perverse behavior. However, once they are told about some major cases, they will be shocked and be prompted to mend their ways. At the same time, comrades who do not commit mistakes will also draw a lesson from these cases so as to be better on guard against following the same erroneous road.

At present many localities have linked the handling of major cases with ideological education. They selectively analyze some typical cases from which people may heed the warning and issue circulars about these cases. Party members and cadres are organized to study the circulars and discuss the case. As a result, a large number of people may heed the warnings resulting from the handling of major cases. The party committee of Duan Yao Nationality Autonomous County, Guangxi, organized party members to analyze the economic criminal cases in the county in the course of party rectification. After discussions, some units and individual party members confessed their mistakes and returned the ill-gotten money. The whole county has now retrieved more than 49 million yuan in loans issued in an irregular way and retrieved more than 300,000 yuan worth of materials.

We not only must resolutely and rapidly handle the serious and major cases, but should also use these cases to educate party members and cadres. So long as we properly and successful fulfill these two tasks, we will bring about a fundamental turn for the better in our party style and public conduct soon.

ZHAO ZIYANG SPEAKS ON HORIZONTAL ECONOMIC TIES

OW170013 Beijing XINHUA Domestic Service in Chinese 1302 GMT 16 Mar 86

[Text] Beijing, 16 Mar (XINHUA) -- The first national conference sponsored by the State Council to discuss urban economic reform closed today in Beijing. The meeting discussed, in particular, the issue of horizontal economic cooperation between enterprises.

In a regular session held on 15 March, the State Council was briefed on the meeting. Making an important speech at the session, Premier Zhao Ziyang stressed that from now on horizontal economic cooperation should be regarded as an important task and handled as an important aspect of economic reform. He said economic cooperation will yield better economic returns and expedite reform.

Zhao Ziyang said: Horizontal economic cooperation produces conspicuous economic returns in the macroeconomic as well as the microeconomic sectors. The scope of economic cooperation is extensive. There can be cooperation within the spheres of production or distribution, between production and scientific research, between production and distribution, and so forth. Meanwhile, there are two types of cooperation within the sphere of production, namely cooperation between specialized departments in producing brand name products of good quality, and cooperation among partners contributing such essential production means as capital, raw and semifinishing materials, factory buildings, equipment, technical know-how, labor, and so forth. Since these two types of cooperation are by and large rationally organized, the sponsors are well informed, and their production is stable, investment is small, use of advanced technology is efficient, products are new and are of good quality, productivity is high and consumption of material resources is low, their profits are relatively high and cannot be matched by enterprises operating individually. Enterprises operating individually have their advantages as well as drawbacks, but the advantages can easily be offset by drawbacks. However, the situation will not be the same once they cooperate with one another and help one another to make the best possible use of favorable conditions and avoid the effects of unfavorable ones. In that case, they can create a new, overall favorable situation under which the advanced enterprises will have the opportunity to develop, the less advanced enterprises will have the opportunity to catch up, and those enterprises verging on bankruptcy can also be brought back to life. We are now talking about cooperation within the sphere of production. Cooperation in other spheres will likewise bring about similar results. Cooperation is therefore highly beneficial to all partners as well as to society as a whole.

Speaking on the important significance of horizontal economic cooperation in expediting urban economic reform, Zhao Ziyang pointed out: Horizontal economic cooperation is essential for modernizing production as well as for developing socialist commodity economy. The decision made by the party Central Committee in 1984 on restructuring the economic system was based on the basic idea that China's economic structure must be compatible with the requirement of developing its socialist commodity economy. Horizontal economic cooperation is specifically one of the basic conditions needed for the existence and development of commodity economy. By horizontal economic cooperation we mean that all spheres as home should open to each other. Under the old economic system, higher and lower levels as well as departments and regions all operated on their own. Horizontal economic ties were nonexistent between higher and lower levels, nor between departments and regions.

That ran counter to developing commodity economy. To change this situation, we must remove the barriers between higher and lower levels and between departments and regions. Without this change, there can be no commodity economy to speak of. Artificially tying our enterprises to departments or regions at various levels according to their administrative affiliation does not conform to the law of the development of commodity economy, nor to the requirements for socialized mass production.

The barriers between higher and lower levels and between departments and regions are not necessarily related to our socialist system. Public ownership should be more favorable for the formation of a centralized socialist market. Distribution according to work has absolutely nothing to do with the barriers between higher and lower levels and between departments and regions. Likewise, our planned economy does not have any inexorable ties with those barriers. Barriers between higher and lower levels and between departments and regions obstruct the development of the socialist commodity economy. In the past our economic operation was organized according to the vertical ties between higher and lower levels and between departments and regions. The situation is still basically the same today. However, the development of commodity economy requires horizontal ties so that a centralized market system and an economic network linking all parts of the country can be formed. In this sense, the process of replacing the old system with a new one is the process of developing horizontal cooperation on a broad basis and of removing the barriers between higher and lower levels and between departments and regions. In order to remove all these barriers, we must carry out reform in all fields in a coordinated manner. To judge whether or not a reform is going in the right direction, we must see whether or not it meets the requirement of breaking barriers, and whether it weakens or strengthens barriers. This is an important indicator. On the other hand, horizontal cooperation will rebuff the old system and challenge the barriers. In the process of promoting cooperation, such cooperation will certainly clash with the old economic systems, especially the planned system, the financial system, the banking system, and the commodity supply and distribution system. However, it is not a bad thing to expose all those regulations and rules which obstruct horizontal economic ties. All projects of reform will develop in the process of discovering and settling the conflicts. Promoting horizontal cooperation and between departments and regions will be a process in which the two projects will help each other forward.

Zhao Ziyang noted: The development of horizontal cooperation will bring about significant changes in the organizational structure of our country's enterprises. A new entity known as the conglomerate, or enterprise group, has already appeared. Totally different from the administrative corporation, it is an organization in which a group of enterprises have voluntarily joined hands to serve one another. Bound by a common cause, they become interdependent on each other and their operation is a co-ordinated one. The Jialing group and the Erqi group as well as certain enterprise groups in Changzhou are illustrations of the embryonic stage of such new organizations of enterprises. The relationship among them is still developing. It seems that the irrational organizational structure of our enterprises can very possibly be corrected through promoting horizontal cooperation and by making the best use of the situation. Zhao Ziyang pointed out: It is possible that the development of horizontal cooperation will trigger changes in our enterprises' system of ownership as well as their internal organizational system. Because of the barriers between higher and lower levels and between departments and regions, enterprises owned by the whole people have virtually become enterprises owned by departments or regions. Such being the case, those enterprises have become highly dependent on those departments and regions, and because it is much too easy for our enterprises to eat from the same big pot, it is difficult for them to mend their ways. However, it is easier for our enterprises to watch their steps in horizontal cooperation because it requires each partner to contribute essential means of production in order to become partners. This means that the interests of everybody else are tied to those of others; these interests are represented in a tangible way.

On how to promote horizontal cooperation, Zhao Ziyang said: I am not saying that everybody should rush headlong into mass action, much less throw together all types of nominal or formalistic cooperation. Essentially I am talking about the significance of cooperation in developing productivity and expediting reform so that you will understand the issue better and so that you will encourage cooperation in terms of policy, ensure cooperation with laws and regulations, and help remove those rules and regulations and superstructures in the current system that obstruct cooperation. We must support and foster -- and not obstruct -- the kind of horizontal cooperation that conforms to our requirements. Departments in charge of unified planning, specialized trades and professions, departments engaged in production of military or consumer goods, and all regions and key cities should make concerted efforts to promote cooperation.

Zhao Ziyang said: To ensure sound development of cooperation, the most important requirement is to safeguard the enterprises' decision-making authority. The central issue of reform is to make our enterprises more vital. Horizontal cooperation must be based on enterprises' authority to make their own decisions. If an enterprise intends to cooperate with other enterprises, this intention is in itself decision-making authority; and if the responsible departments forbid the cooperation, that will constitute a violation of the enterprise's right to make its own decisions. The type of horizontal cooperation or non-cooperation, to enter into a partnership or withdraw from it should be a decision of all enterprises themselves. Such questions as what to cooperate on, how to cooperate, and rights and obligations must be discussed by all parties concerned on an equal footing, and no one should impose its will upon another. When cooperation is in the interest of all partners, nobody can possibly break it up. When everybody realizes the advantages of cooperation, they will follow the course. The leading authorities' responsibility is to watch out for the new situation, study the new issues, and provide the necessary guidance according to the situation.

Commenting on today's production problems, Premier Zhao pointed out: To provide proper guidance for production today, we must pay attention to investigation and study. Problems requiring solutions must be dealt with, and problems that must be handled must be handled. At present we must pay attention to intensifying ideological and political work among cadres, workers, and other staff members of our enterprises, earnestly implement the system of economic responsibilities, and continue to arouse the enthusiasm of the broad masses of cadres, workers and staff.

#### ECONOMIC REFORM ENLIVENS CITIES' FUNCTIONS

OW151413 Beijing XINHUA Domestic Service in Chinese 1254 GMT 14 Mar 86

[By RENMIN RIBAO reporter Dai Yuqing and XINHUA reporter Xu Yaozhong]

[Text] Beijing, 14 Mar (XINHUA) -- China's economic structural reform has given vigor and vitality to its cities and brought their various functions into fuller play. Now many cities have gradually become centers of economic activities and hubs of lateral economic networks. They function as a backing for enlivening the enterprises, and their capability to serve the needs of the people's everyday life has further increased.

Experimental work on comprehensive urban reform started 5 years ago in our country. On different occasions between 1981 and 1983, the State Council approved plans for conducting comprehensive reform experiments in Shashi, Changzhou, and Chongqing Cities. Now 61 cities are involved in such experiments. Meanwhile, many other cities have also begun to carry out reforms in an active way even though they are not included in the experimental program.

Over the past years, the cities selected for comprehensive reform experiments have carried out four kinds of reforms: First, they have expanded the enterprises' decision-making power. Second, they have opened their doors and enhanced their attractiveness and influence through extensive development of various lateral economic contacts. Third, they have opened a variety of urban markets. Fourth, they have appropriately increased the authority of some urban organizations to coordinate economic activities, increased the vitality of cities, and oriented the city governments' main functions toward rendering good comprehensive services and creating a favorable external environment for enlivening the enterprises. All these reforms have achieved successful results.

The function of cities as centers of all economic activities has been restored and intensified. In the reform, Wuhan City has adopted five measures: development of an urban economic association; establishment of a network of economic and technical cooperation areas in the Jianghan Pingyuan; cooperation with Shanghai, Nanjing, and Chongqing in developing the economy of the Changjiang Liuyu; active promotion of association with northern and southwest China; and coordination with Hong Kong and Macao in attracting investment from abroad. As a result, Wuhan, located at a place which links the east, west, north, and south, has become a true "thoroughfare leading to nine provinces." Xuzhou City made positive efforts to serve the needs of economic development of its area, which is located at the juncture of Jiangsu, Shangdong, Henan, and Anhui Provinces, and a new economic zone -- Huaihai Economic Zone -- with Xuzhou as the center is taking shape. Chongqing, Wuhan, Shenyang, Dalian, Harbin, Guangzhou, and Xian have been treated separately in the respective provincial development plans, thus enhancing their positions as economic centers. A number of cities, including Shashi, Xiangfan, Foshan, Nantong, Changsha, Jinan, Qingtai, Xiamen, and Kunming, are developing into trade, banking, information, or science and technology centers, each with its own salient features.

The function of cities as hubs of lateral economic networks has been beefed up. Many cities are no longer closed "castles" as they were in the past. Also, their various economic activities are no longer limited to satisfying their own needs, but are aimed at serving the requirements of the entire economic zones under their influence. Shenyang, a comprehensive industrial city noted for its relatively large variety of industries, together with Dandong, Liaoyang, Benxi, Fushun, Tieling, and Anshan, have formed a "city colony" so as to pool their strong points in different fields. This arrangement has given a powerful impetus to economic and technical cooperation among these cities. After instituting the "city leading counties" reform, Changzhou City has given professional guidance and technical assistance to village and town enterprises, jointly supplied material requirements, and made joint sales arrangements. Up to now, some 400 industrial enterprises in urban and rural areas have formed 56 enterprise colonies. Their combined value of industrial production has accounted for 32.86 percent of the city's total, and they have contributed 40 percent of the tax and profit that the city has handed over to the state.

The function of city governments to serve the needs of enterprises has been strengthened. To enliven the enterprises, many cities have streamlined administration and delegated power to the enterprises. They have begun to rely on various economic means as well as laws and rules to regulate and control the enterprises' activities, and administrative intervention has thus been reduced. Jiangmen City in Guangdong had 11 industrial bureaus and companies which functioned as administrative organs. They have now been either abolished or switched to other fields of work. Instead, a number of "professional offices [hang ye ban gong shi 5887 2814 6586 0361 1358] responsible for machinery, electronics, and other industries have been established within the city's economic commission. These offices are responsible for planning the work in various industrial fields and serving the needs of the enterprises instead of directly intervening in their production and operations activities. This has provided a useful experience for organizational reform in small and medium-sized cities.

Government departments at all levels in Shijiazhuang City have delegated powers and rights to the enterprises as stipulated by the State Council, opened markets of means of production, and assisted the enterprises in obtaining supplies of raw and other materials. At ordinary times the government's functional departments do their best to serve as "assistants" in helping the state enliven the enterprises and take the initiative to eradicate troubles and solve problems for the enterprises. Nanjing City has made positive efforts to create favorable conditions for enlivening the enterprises. According to statistics, at present 28 percent of the big and medium-sized enterprises in this city have become more lively, and their production and operations have entered a stage of self-sustained development.

The capability of cities to serve the needs of the people's daily life has increased. Many cities have no longer used the gross value of industrial and agricultural production as the sole yardstick for evaluating their work. Rather, they have paid more attention to the fulfillment of the gross national product target and made all-out efforts to develop science-technology, education, and public health projects and to put the development of tertiary industry in the high gear. Previously, there was no university at all in Changzhou City. The last few years have seen the establishment of five universities in this city. Since 1979, the number of people employed by tertiary industry in Guangzhou City has increased at an average rate of more than 7 percent annually, and the industry's output value has grown by an average rate of more than 11 percent each year. The output value of the tertiary industry accounts for about one-third of the city's gross national product. Now in most cities of our country, science, education, and cultural undertakings commercial activities, and service trades are developing rapidly. This has provided a favorable condition for enriching the people's cultural as well as material life.

#### CPPCC STANDING COMMITTEE HOLDS PLENARY SESSION

OW150249 Beijing XINHUA Domestic Service in Chinese 1147 GMT 14 Mar 86

[Text] Beijing, 14 Mar (XINHUA) -- The 11th meeting of the Standing Committee of the 6th National CPPCC Committee held its 2d plenary session at the CPPCC auditorium this morning.

Liu Lantao, vice chairman of the National CPPCC Committee president over today's session. Attending the session were Vice Chairmen of the National CPPCC Committee Yang Jingren, Lu Dingyi, Cheng Zihua, Kang Keqing, Hu Ziang, Qian Changzhao, Yang Chengwu, Chen Zaidao, Zhou Peiyuan, Burhan Shahidi, Deng Zhaoxiang, Fei Xiaotong, Qu Wu, Ma Wenrui, Mao Yisheng, and Liu Jingji.

The session submitted the draft report of the Cultural and Historical Data Research Committee of the Sixth National CPPCC Committee on the compilation of cultural and historical data and the draft report of the work group for foreign affairs of the Sixth National CPPCC Committee for deliberation by the Standing Committee members. These two reports will be forwarded to the fourth meeting of the Sixth National CPPCC Committee for consideration.

At the session, Vice Chairman Zhou Peiyuan of the National CPPCC Committee reported on his visits to Poland, Hungary, and the German Democratic Republic. Feng Tiyun, deputy secretary general of the National CPPCC Committee, delivered a report on the CPPCC delegation's visit to Pakistan.

At the session, printed reports on the CPPCC science and technology delegation's visit to Britain, on CPPCC members' inspection tour of Shandong Province, and on the CPPCC Beijing municipal delegation's tour to inspect the situation in Beijing's economic construction were distributed to the Standing Committee members.

I. 17 Mar 86

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CHINA  
PRC NATIONAL AFFAIRS

HU YAOBANG INSPECTS GUANGXI, DISCUSSES TASKS

HK150752 Nanning Guangxi Regional Service in Mandarin 1100 GMT 13 Mar 86

[Excerpts] The winter is over and the spring is coming. In the early spring days, CPC Central Committee General Secretary Hu Yaobang and his party inspected Guangxi in the wake of their trip to western Guizhou. This was Comrade Yaobang's fourth visit to Guangxi since the 3d Plenary Session of the 11th CPC Central Committee in December 1978, reflecting his deep feelings for the 38 million people of various nationalities in Guangxi and his deep concern for the four modernizations and all other work in Guangxi. This report chronicles Comrade Yaobang's inspection.

Another is Hainan Island; you are Hainan Mountain:

Comrade Yaobang first inspected Baise Prefecture. On 10 February, the second day of the first month of the lunar calendar, Comrade Yaobang and his party left (Tianshengqion) hydropower state for Baise City. The next morning, Comrade Yaobang listened to reports given by party and government responsible persons of Baise Prefecture. Comrade Yaobang said: Baise Prefecture covers an area of 36,000 square kilometers and is a mountainous area and subtropical area. Your prefecture has great potential for developing subtropical economic crops. You must give full play to this potential. The climatic conditions here are rare in the country. You can grow not only sugarcane, oranges, and mangos, but also anise, hawthorn, and bananas. Many kinds of economic crops can be grown -- not just dozens, but hundreds of types. There are few areas in our country which are suited to growing so many kinds of subtropical economic corps. There are some on Hainan Island and in Xishuangbanna. Your prefecture is larger than Hainan Island. Another is Hainan Island, but you are Hainan Mountain.

Then Comrade Yaobang encouraged them to properly build Baise Prefecture. He explicitly pointed out that to change the appearance of an area, being anxious is useless. It is also impossible to attain the target in 2 or 3 years. You have to attain the target step by step, and work for 5,10, or 15 years.

Facing Southeast Asia and backed by the southwest:

On 14 February, Comrade Yaobang arrived in Beihai, a beautiful coastal city near Beibu Wan. That afternoon, Comrade Yaobang listened to reports given by responsible persons of the Beihai CPC Committee and People's Government and looked with interest at the model of new buildings in the new downtown section of Beihai City.

On the morning of 15 February, the sun shone brightly in the blue sky and Beibu Wan was calm and tranquil. Comrade Yaobang visited Beihai's new downtown area, the newly built wharf, and (Baihutou) Beach, teeming with quartz sand. Comrade Yaobang said: Beihai City has avoided taking a roundabout course in its development over the past year or so. This is because you have been good at learning from others' experiences and have used your own brains. In addition, the regional CPC Committee has made great contributions and exercised good leadership. This is my impression of Beihai from my current visit.

He pointed out that with the great southwest as its hinterland, Beijai can be extended outward. It can influence extensive areas. This is the biggest characteristic distinguishing Beihai and other open cities. Therefore, opening up Beihai should be linked with the development of Fangcheng Port, the whole of Guangxi, and the great southwest, and Beihai should be considered the place for linking Yunnan, Guizhou, Sichuan, and Guangxi with Southeast Asia and the whole world.

You must grasp this characteristic and conduct research and investigation and properly formulate plans from now on.

Beihai and Fangchang ports handle 5 million tons of freight each year. The delivery of the 5 million tons of freight requires the services of many people. The successful delivery of the 5 million tons of freight will bring many social benefits and stimulate economic development in China's interior areas, greatly benefitting the great southwest. Whether Beihai can prosper or not depends on whether or not you can swiftly deliver the freight.

Comrade Yaobang stressed that developing the aquatic products of Beibu Wan is very important and must be firmly grasped. This discussion meeting, which was of decisive significance to Beihei's development and construction, lasted several hours and ended at noon.

Comrade Yaogang had a hurried lunch and rested briefly. At 1400 he drove to Fangchang port to continue his inspection in spite of the hardships of frequent journeys.

Avoid impetuosity; have the confidence to attain the quadruplication target:

When Comrade Yaobang inspected Guangxi's Baise and Beihai Prefectures, the central organ investigation and inspection group he headed was also investigating and inspecting some poor areas in Yunnan and Guizhou Provinces and Guangxi Autonomous Region. Shortly after Comrade Yaobang concluded his inspection, comrades of the three investigation and inspection groups gathered in Nanning from 17 to 19 February to give reports to Comrade Yaobang and leading comrades of Yunnan, Guizhou, and Guangxi.

After listening to reports given by comrades of the three groups and leading comrades of Yunnan, Guizhou, and Guangxi, Comrade Yaobang delivered an important speech on the afternoon of 19 February on the style of cadres, the agricultural situation, and the economic situation and the work of helping the poor in Yunnan, Guizhou, and Guangxi. He repeatedly stressed that to rapidly develop the economy, cadres at all levels must earnestly and thoroughly study the local conditions of their provinces or regions and their own advantages so that they can give full play to their advantages and overcome their shortcomings. He also linked economic development in Yunnan, Guizhou, and Guangxi with the economic development of the whole country, and encouraged the participants to develop the economy by grasping the following advantages:

1. It is necessary to grasp abundant and various mineral resources, including energy resources, ferrous metals, non-ferrous metals, and non-metal mineral resources.
2. It is necessary to develop subtropical economic crops.
3. There are vast highland, mountainous areas, and grasslands in Yunnan, Guizhou, and Guangxi. These areas are suited to growing trees and grass and herding flocks of sheep, cattle, and horses.

On prospects for economic development in Guangxi, Comrade Hu Yaobang said that judging by the economic development level, Guangxi is the third from the bottom in the country. Can this situation be changed in several years? Guangxi's economy is certainly developing. If you do not develop Guangxi's economy, you will be making a mistake. But it is difficult for Guangxi to thoroughly change the present situation and jump to a ranking between 10 and 20 in a short time. But after 6 to 7 years, it is possible for Guangxi to jump to the position of 25 or better in the country. Others are also developing. You must avoid impetuosity and have the confidence to attain the quadruplication target. This must be explained to all cadres.

Before leaving Guangxi, on the morning of 20 February Comrade Yaobang cordially met some veteran cadres at the provincial and Army level and delivered a speech. He affirmed the achievements Guangxi has made in its work since the 3d Plenary Session of the 11th CPC Central Committee. Although the region's grain output decreased in 1985, its economic growth was large and the economic situation was good.

In his speech, Comrade Yaobang particularly stressed that it is necessary to consolidate and develop the political situation of stability and unity in Guangxi so as to create favorable conditions for the four modernizations drive and to promote reform and economic development.

He said that the most important principle is to maintain political stability and unity. We must do our utmost to adopt measures advantageous to political stability and unity and must not adopt measures disadvantageous to political stability and unity. He also affirmed that Guangxi has implemented the policies and principles of the central leadership in handling problems left by the Cultural Revolution and has achieved great results in this respect. He also explicitly pointed out that no chaos should appear in Guangxi any more, and it is necessary to continue to grasp the education about negating the Cultural Revolution, overcoming factionalism, strengthening party spirit, and consolidating and developing the political situation of stability and unity.

Hu Yaobang and the investigation groups led by him left Nanning for Beijing by a special plane on 20 February after successfully concluding their visit and inspection in Yunnan, Guizhou, and Guangxi.

#### YAO YILIN VISITS HARBIN PLANTS 11-14 MARCH

OW161335 Beijing XINHUA Domestic Service in Chinese 1436 GMT 15 Mar 86

[By reporter Zhang Chijian]

[Text] Harbin, 15 Mar (XINHUA) -- Yao Yilin, vice premier of the State Council, recently pointed out when he was inspecting Heilongjiang Province that grain production is still a great thing in the "Seventh 5-Year Plan" and various localities must lay stress on grain production in consideration of China's overall economic construction.

From 11 to 14 March, Comrade Yao Yilin went to workshops of the Harbin electric machinery plant, the Harbin steam turbine plant, and the Harbin boiler plant to inspect their production. He also went to Sanjiang Plain to familiarize himself with the land resources there and inspected agricultural production and the situation of the export of agricultural and sideline products on the Honghe farm and in Tongjiang County. He also heard reports made by responsible comrades of the Heilongjiang Provincial People's Government, the Jiamusi City Government, and the Heilongjiang state farms administration. He held discussions with local cadres and heard their opinions on how to strengthen grain production and the export of agricultural and sideline products during the "Seventh 5-Year Plan."

During his inspection tour, Yao Yilin said: The grain production situation in our country in recent years has been good and we have in the main achieved the goal of self-support. We now export some soybean and corn and import some wheat each year and the value of export and the value of import are about equal. This has changed the situation of earlier years when we had to import grains with a large amount of foreign exchange. Of course, as we still do not have much surplus grain, the population is still increasing, and the people's level of consumption is being raised, we must develop grain production vigorously.

Yao Yilin pointed out: The improvement of grain situation has played an active role in our country's economic construction. He said: Because output of steel and some non-ferrous metals is still relatively low in our country, we have to import some steel materials and nonferrous metals each year. Our ability to import those raw materials for capital construction is, to a great extent, because we have stopped importing grains. Besides, we are exporting some soybean to grain foreign exchange. All this has created favorable conditions for importing necessary raw materials. We can say that the excellent situation of grain production has ensured a relatively fast and massive economic construction in recent years in our economy.

During his inspection tour, Yao Yilin repeatedly asked local cadres the following question: How can we maintain the excellent trend of grain production during the "Seventh 5-Year Plan" and a even longer period? He emphatically pointed out: On the one hand, we must continue to develop authority of the party's rural policy to whip up enthusiasm of the masses for production. On the other hand, we should increase investment in agriculture in a planned way to raise unit yield and also expand total acreage of arable land through reclamation in an appropriate manner. On the basis of a stable increase in grain production, we should adopt measures to strengthen the building of production bases for the export of grain, soybean, and other agricultural sideline products so as to increase the quantities of products for export, earn some foreign exchange, and promote the development of the entire national economy.

He Kang, minister of agriculture, animal husbandry and fishery, and Hou Jie, governor of Heilongjiang Province, took part in the inspection activities.

#### FANG YI STRESSES NEED FOR TECHNOLOGY TRADE

OW160432 Beijing XINHUA Domestic Service in Chinese 1326 GMT 14 Mar 86

[By RENMIN RIBAO reporter Wang Yougong and XINHUA reporter Wu Ming]

[Text] Beijing, 14 Mar (XINHUA) -- Addressing the national conference on technology trade today, Fang Yi, member of the Political Bureau of the CPC Central Committee and state councillor, said that developing technology trade, which is an unprecedented effort, is a decision of the Central Committee. Great efforts must be exerted to develop technology trade, and all quarters must give the project active support, he said.

Fang Yi said: Commercializing technological achievements and developing technology trade to keep up with the development of the nation's socialist commodity economy are important aspects in restructuring the management of science and technology, and in promoting the integration of scientific and technological trade and opening channels for scientific and technological findings to be applied to production for recompense can change the previous practice of transferring them free of charge by administrative means. It can establish a new system of managing science and technology, a system that can promote the integration of research and production.

After reviewing the positive momentum in the nation's technology trade, which is still in its initial stage, Fang Yi said: Much work has to be done to develop the nation's technology trade, as the problems affecting the integration of science and technology and production are far from being resolved. We must constantly improve our work, coordination, and guidance so that we can deal with the new situation and the new problems ahead of us. The most urgent thing to do today is to draw up the necessary policies and regulations in accordance with the findings from investigation and study so that the management of technology market can be strengthened.

Fang Yi stressed: Organs in charge of technology development, and organizations serving as intermediaries in technology transfer and in providing technical consultation, technical training, and other services should uphold the policy of "opening to all areas, enlivening their technology trade, and giving them support and guidance." However, while providing such services, government organs and their subordinate institutions must not undertake commercial business that has nothing to do with technology. While handling technology transfer, they must also observe relevant state laws and regulations, and any acts of fraud or profiteering are strictly forbidden. The quality of merchandise in technological trade must also be ensured, and the necessary related technical expertise should be available.

The national conference on technology trade is sponsored by the special group for promoting and coordinating nationwide sales and purchase of technological items. Attending the conference are over 300 representatives coming from 29 provinces, autonomous regions, municipalities directly under the central government; seven other key cities; and 29 central departments and committees. The representatives will examine their experiences in developing technology trade, study how to further promote technology marketing, and discuss and draw up the relevant administrative measures and regulations.

#### GU MU COMMENTS ON XIAMEN SPECIAL ECONOMIC ZONE

HK140323 Beijing ZHONGGUO XINWEN SHE in Chinese 1345 GMT 12 Mar 86

[Text] Xiamen, 12 Mar (ZHONGGUO XINWEN SHE) -- While inspecting the Xiamen Special Economic Zone [SEZ] a few days ago, State Councillor Gu Mu pointed out that the road taken by the Xiamen SEZ is correct. From 7 to 11 March, Gu Mu inspected the situation in how the Xiamen SEZ has made use of foreign capital, developed joint business with departments of the interior, and imported technology to transform old enterprises in the past few years. He listened to work reports by Mayor Zou Erjun and others.

Gu Mu said: In the past few years, the speed of development of the Xiamen SEZ has not been low, the number of imported projects has not been small, and good results have been obtained in transforming the old urban area. Relatively big changes have been made in the SEZ. The SEZ started its construction with basic facilities such as wharves, airport, communications system, and so on. It has regarded as key aspects the development of industry, small and medium-sized projects, and projects which need less investment but yield quicker results. It has also made great efforts to develop foreign-oriented enterprises in order to increase exports and earn more foreign exchange. All these conform to the spirit of the recent work meeting of the special economic zones. So long as it continues to advance in this direction, there will be very good prospects for the Xiamen SEZs.

Gu Mu pointed out: The Xiamen SEZ should strengthen economic and technological cooperation and exchanges with the interior in order to promote the common prosperity of the interior and the SEZ. The difference between the Xiamen SEZ and the other three SEZs is that it has a large number of old enterprises. In the past few years, great achievements have been made in importing technology to transform the old enterprises, but work in this respect should be accelerated.

He said that the Xiamen SEZ is favored with beautiful natural surroundings. The standard for plans for urban construction should be higher. Some foreign specialists can be invited to assist in the work of urban construction and management so that Xiamen can be built into a garden city with economic prosperity and a beautiful environment.

Gu Mu also pointed out that Xiamen is a famous hometown of Overseas Chinese and that there are many Overseas Chinese in southern Fujian. This is an important condition for satisfactorily building the Xiamen special zone. Work for the Overseas Chinese should be further improved and the policy toward Overseas Chinese should be further implemented in order to give play to the favorable conditions in this aspect and to accelerate the construction of the Xiamen SEZ.

COMMENTATOR ON DEVELOPMENT OF SPECIAL ZONES

HK150622 Beijing CHINA DAILY in English 15 Mar 86 p 4

[Commentator's Article: "SEZ Guidelines"]

[Text] A national conference has assessed the achievements of the four special economic zones [SEZ] -- Shenzhen, Zhuhai, Shantou and Xiamen -- since their establishment more than five years ago, discussed the problems encountered in their path of advance and worked out some guidelines for their next-stage development.

China's policy of opening to the world is necessitated by the fact that as a developing country, it needs to absorb foreign funds and advanced technology to help speed its socialist modernization programme. The government's decision to establish the four economic zones in 1980 was a concrete step in implementing this policy.

During the past five years the four special economic zones have all showed impressive results. In the initial stage they rightly focussed on building an infrastructure so as to create a favourable environment for foreign investment. By the end of 1985, a total area of about 60 square kilometres of land had been developed in the SEZs and factories, offices, apartment blocks and tourist facilities mushroomed and foreign investments started flowing in.

At the same time, direct foreign investment put to use in the four zones amounted to about \$1.17 billion, accounting for one fifth of the total direct foreign investment being put to use throughout China. About 900 new factories, with advanced technology and equipment, have started operation. Total industrial output value in 1985 was 4.84 billion yuan, more than quintupling the 1979 figure, the year before they came into being. The fastest growing member of the four, Shenzhen, registered an industrial growth of 39 times in 1985 as compared with 1979, with 43 percent of its products for export. Meanwhile, the SEZs have established co-operative ties with various inland regions and departments which have proved beneficial economically for both parties.

Thus, the SEZs have begun to play the role of "windows of technology, knowledge, management and foreign policy" as first envisaged by their planners. China is launching its Seventh Five-Year Plan (1986-1990) this year. Now that they are on firm footing, the SEZs are duty bound to make further efforts to meet the new challenges of the new era. According to the national conference, of primary importance for the SEZs in the next five years is that they should strive to build an export-oriented economy with industry as the predominant sector and well integrated with trade. In other words, they should not only introduce more advanced technology to China but also should be able to get more Chinese products on the world market. They should further strengthen ties abroad as well as with inland regions. However, it should be kept in mind that the purpose for doing so is chiefly to contribute to the building of an export-oriented economy in the SEZs.

In addition, the pace of reforming economic management should be quickened to give enterprises a boost and the regulatory role of the market wider scope. Since they are SEZs, the state will continue making special allowances for them and give them special and flexible treatment to facilitate their further development.

With the quickening progress of science and technology and rapid development of productive forces in the world, every nation, out of elementary wisdom, should expand international economic and trade ties to promote its own prosperity. China is no exception. What is more, China now enjoys political stability and the economy is steadily on the rise. Now that the advantages of the open policy are increasingly evident, it is only natural for China to further develop the SEZs to help carry out economic progress all over the country.

#### MEETING ON MANAGING SCIENCE, TECHNOLOGY FUNDS

OW141225 Beijing XINHUA Domestic Service in Chinese 1452 GMT 13 Mar 86

[Text] Beijing, 13 Mar (XINHUA) -- The State Science and Technology Commission and the Ministry of Finance today held a joint meeting of heads of scientific and technological and financial departments (bureaus) under the various State Council ministries and commissions to study ways to implement the "State Council's provisional regulations governing management of scientific and technological funds" and arrange the transfer of scientific and technological operating expenses. Guo Shuyan, vice minister in charge of the State Science and Technology Commission, and Chen Rulong, vice minister of the Ministry of Finance, spoke at the meeting.

Guo Shuyan explained the significance of reforming the science and technology funding system as part of the reform of the science and technology management system. He also introduced in detail the basic principles for reforming the management of science and technology operating expenses and specifics concerning management based on different categories of research work.

He said: In reforming the management of science and technology operating expenses, we must introduce different management systems according to different scientific and technological activities. We must broaden the sources of funds and draw science and technology funds from as many channels as possible. It is necessary to link funds to research tasks and to introduce a certain degree of compensatory transfer of technology. At the same time, we must break free from the barriers between the various departments and regions, encourage competition, and give financial support to the most promising projects.

The specifics concerning science and technology operating expense management based on the type of research work are as follows: Technological job contracting should be introduced for technology development and for applied research projects that promise immediate practical benefits. Institutes involved in research of social welfare services or basic technology as well as agricultural science institutes should adopt a system whereby they are responsible for their own surpluses and deficits. Science foundations should be introduced for basic and some applied research projects, which do not promise immediate practical benefits. Public bidding should be gradually introduced for major state science and technology projects.

Guo Shuyan said: The reform in management of science and technology operating expenses will change operating procedures and the organizational structure as well as some of the ideas and concepts to which we have been accustomed.

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It tugs at the heartstrings of 1 million or more science and technology personnel and affects the future and orientation of some 9,000 science and technology research institutes. During the first 2 years of reform, we must take small steps to straighten out relations and sum up experience, and must properly accelerate our pace in the subsequent 3 years.

ZHANG JINGFU ON ECONOMIC STRUCTURAL REFORM

OW152020 Beijing XINHUA Domestic Service in Chinese 1501 GMT 14 Mar 86

[Text] Beijing, 13 Mar (XINHUA) -- Speaking of China's ongoing economic structural reform at the 13 March joint national meeting of light industry and commercial departments and bureaus, State Councillor Zhang Jingfu said: Now the reform work is at a stage of advancing through probing and the new system replacing the old. At this stage, we should attach importance to studying new circumstances and questions that have cropped up in the market and summing up new experience. Production and marketing departments for consumer goods should emphasize two things. One is to ensure the production and supply of enough necessities to meet the people's enough requirements. The other is to go all out to increase the production and supply of those products that are urgently needed but are in short supply on the market.

Zhang Jingfu pointed out: The economic situation of our country has been very good since the 3d Plenary Session of the 11th CPC Central Committee. It should be noted, however, that many new circumstances have appeared in the market with the in-depth development of reforms. In carrying out reforms, various localities have made numerous outstanding achievements and gained a great deal of useful experience. They represent the principal aspect of our country's economic situation, and we should support, pay attention to, sum up, and publicize them. At the same time, we should carry out reforms on one hand and strengthen the legal system on the other. Resolute blows should be dealt to those who have used reform as an opportunity to commit economic crimes. Regarding those things that have appeared in the course of reforms and have both advantages and disadvantages, we should not hastily affirm or deny them. What we should do is to keep the advantages and discard the disadvantages after inspecting and analyzing them and doing necessary work with a view to making the best use of them.

Zhang Jingfu urged all localities to attach importance to lateral economic ties and to bring the potentials of existing enterprises into full play. He said: A major task of the economic structural reform this year is to go all out to develop lateral economic associations. In particular, organizing lateral associations on the principle of equality and mutual benefit, starting with those for the production and marketing of fine-quality and famous-brand products is an effective way to bring the potentials of the existing enterprises into play.

CENTRAL LEADERS RECEIVE STUDENTS FROM LAOSHAN

OW160336 Beijing XINHUA Domestic Service in Chinese 1741 GMT 15 Mar 86

[By reporter Wu Kelu]

[Excerpts] Beijing, 15 Mar (XINHUA) -- Representatives of students of four PLA medical universities who went through the trials of war on the Laoshan front today made a report on the experience gained at the front to the central leading comrades, students of universities and colleges in Beijing, and cadres of various organizations at Zhongnanhai's Huairentang.

Hu Qili, Deng Liqun, Hao Jianxiu, and other central leading comrades had cordial talks with the representatives before the report meeting. They praised the 80 students of the four PLA medical universities for learning by doing at the front and for their progress in combining theory with practice and uniting with the fighters. The central leading comrades stressed that young intellectuals must unite with the masses and temper themselves through practice.

Deng Liqun spoke after the report meeting. He cited remarks by Shi Jun, one of the representatives making a report at the meeting: "Honor is confirmation of dedication but does not equal and cannot replace dedication. Honor only represents the past, but dedication encompasses not only the past but also the future." He said: This view is very good. It is like a golden rule. He hoped that young intellectuals with such a good start would further temper themselves through practice and make contributions to the people for their whole life.

Yang Haibo, vice minister in charge of the State Education Commission, also delivered a speech. He hoped that university students and young people throughout the country would learn from the 80 students of the four PLA medical universities, take them as examples, foster a new work style, become a generation of new talents, and shoulder the heavy historical tasks.

The report meeting was sponsored jointly by the Propaganda Department of the CPC Central Committee, the State Education Commission, the PLA General Political Department, the CYL Central Committee, and the Beijing Municipal CPC Committee.

#### LEADERS PAY LAST RESPECTS TO DING LING

OW160733 Beijing XINHUA Domestic Service in Chinese 1538 GMT 15 Mar 86

[Excerpts] Beijing, 15 Mar (XINHUA) -- A ceremony to pay last respects to the remains of Comrade Ding Ling, an outstanding proletarian fighter in literary and art circle in China, was held at the memorial hall of Babaoshan Cemetery in Beijing today.

Among those who sent wreaths were leading comrades Hu Yaobang, Chen Yun, Peng Zhen, Deng Yingchao, Nie Rongzhen, Xi Zhongxun, Fang Yi, Tian Jiyun, Qiao Shin, Li Peng, Yang Shangkun, Yu Qiuli, Hu Qiaomu, Hu Qili, Deng Liqun, Wang Zhen, Bo Yibo, Song Renqiong, Wu Xiuquan, Liu Lantao, Xiao Ke, Lu Dingyi, Huang Zhen, Zhou Gucheng, Rong Yiren, Huang Hua, Yang Jingren, Kang Keqing, Hu Ziang, Yang Chengwu, Lu Zhengcao, Zhou Peiyuan, Zhao Puchu, Ye Shengtao, Ba Jin, Ma Wenrui, and Mao Yisheng. NPC Standing Committee, CPPCC National Committee, Organization and Propaganda Departments of the CPC Central Committee, the Ministry of Culture, the All-China Federation of Trade Unions, the All-China Women's Federation, the CYL Central Committee, the Hunan provincial party committee, the Linli County party committee, county People's Congress Standing Committee, county people's government, county CPPCC Committee, the China Federation of Literary and Art Circles, the Chinese Writers Association, as well as personages of various circles in society and friends of Comrade Ding Ling also sent wreaths.

Attending the ceremony to pay last respects to the remains of Comrade Ding Ling were Xi Zhongxun, Tian Jiyun, Qiao Shi, Li Peng, Yang Shangkun, Yu Qiuli, Hu Qiaomu, Hu Qili, Deng Liqun, Wang Zhen, Liu Lantao, Xiao Ke, Huang Zhen, Cheng Zihua, Yang Jingren, Kang Keqing, Qian Changzhao, Yang Chengwu, Chen Zaidao, Zhou Peiyuan, Burhan, Qu Wu, and Ma Wenrui, as well as leaders of departments concerned, the China Federation of Literary and Art Circles, the Chinese Writers Association, friends of Comrade Ding Ling, and personages of literary and art circles.

ANHUI PROVINCE CRACKS DOWN ON ECONOMIC CRIMES

OW160941 Hefei Anhui Provincial Service in Mandarin 1100 GMT 15 Mar 86

[Text] Last year various localities and departments concerned in this province coordinated closely and worked together to deal heavy blows to those who committed economic crimes by taking advantage of the policy of carrying out reform, opening to the outside world, and invigorating the economy.

In 1985, 1,932 confirmed economic crimes were exposed in this province, including 190 involving more than 10,000 yuan. The departments concerned handled 1,610 cases and recovered money and various items worth 7.1 million yuan, more than three times the 1984 amount. A number of economic law offenders were strictly, heavily, and promptly punished in accordance with the law.

Through cracking down on economic crimes in this province, we have punished criminals, protected economic interests of the state and people, promoted further improvement of party conduct and social customs, and ensured smooth implementation of reform work in this province.

The recent provincial meeting on cracking down on economic crimes by party committees of various prefectures and cities pointed out that at present a number of cadres of party and government organizations, including even some senior cadres and their children and dependents, in this province have used invigorating the economy as pretext to engage in speculation and other fraudulent activities. Various localities must deal heavy blows to such economic crimes. In investigating and handling those cases, we must take resolute action and handle them in a serious and strict manner even if the suspects are senior people, hold important positions or have complicated personal relationships, and must not tolerate their crimes.

NEW FUJIAN SECRETARY CHEN GUANGYI VISITS XIAMEN

OW170517 Fuzhou Fujian Provincial Service in Mandarin 1130 GMT 16 Mar 86

[Text] Accompanied by Comrade Xiang Nan, Comrade Chen Guangyi, the newly appointed secretary of the Fujian Provincial CPC Committee, cordially met and spoke in Xiamen on the morning of 15 March to comrades who attended the enlarged Third Plenary Session of the Sixth Xiamen City CPC Committee. Comrade Chen Guangyi said: Over the past few years Xiamen has done its work very well. The construction of the special economic zone has greatly developed. To epitomize the achievements in building the special economic zone in the past 5 years, he said: The development has been rapid, the economic results have been very good, and the achievements have been very great.

Comrade Chen Guangyi said: To build the Xiamen Special Economic Zone still faster and better, we must persist in opening to the outside world, making reforms, and invigorating the economy, and under the guidance of the state, open the gate still wider, adopt a still more flexible policy, and do our work still more flexibly. In his speech, Comrade Chen Guangyi extended his greetings to comrades who worked hard for the construction of the Xiamen Special Economic Zone and his thanks to Overseas Chinese compatriots and other friendly personages who showed concern and gave support for the construction of the Xiamen Special Economic Zone. He also said: We welcome Overseas Chinese and other friendly personages to continue cooperating with us still more during the next 5 years. We also hope we will all unite as one, be dedicated heart and soul to the same cause, and promote the development of the special zone more so as to bring forward the province as a whole.

Comrade Xiang Nan also spoke. He said: Thanks to efforts made in the past few years, the Xiamen Special Economic Zone has achieved very great results, and its own dominant position has taken shape. If the command is appropriate, the measures are flexible, and the policy is special, Xiamen is entirely capable of leading the whole province. He called for firmly grasping spiritual civilization while promoting material civilization at the same time, and hoped that after we work hard for a certain number of years, Xiamen will become a city which stresses modern industry, utilization of foreign capital, export-oriented economy, and technological concentrated and intellectually concentrated industries.

Chen Guangyi and Xiang Nan arrived in Xiamen from Fuzhou on 14 March.

#### JIANGSU'S HAN PEIXIN SPEAKS ON LEGAL KNOWLEDGE

OW161345 Nanjing Jiangsu Provincial Service in Mandarin 1300 GMT 15 Mar 86

[Excerpts] According to a report by this station's reporter, while touching on cadres' study at a meeting of responsible comrades of provincial departments held by the provincial party committee on 15 March, Comrade Han Peixin stressed that leading cadres should take the lead in studying legal knowledge, carry out education in popularizing laws well, and make a good start for the whole province. He said: The popularization of legal knowledge is a major event in the political life of the people in our province and is an important component part of socialist spiritual civilization. Since the beginning of the second half of 1985, this work has been gradually carried out throughout the province. The provincial organizations' education in popularizing laws will be completed in about 3 years from 1986, and such education at the department-and bureau-level organizations will be completed in 1 and 1/2 years.

Comrade Han Peixin finally stressed: In carrying out education in popularizing laws, it is imperative to emphasize actual results. It should be carried out in a down-to-earth manner without formalism and lip service. Party committee members should proceed from their own [words indistinct], grasp the key points firmly, make rational arrangements, and score results.

Comrade Sun Jiazheng, deputy secretary of the provincial party committee, presided over the meeting.

#### ZHEJIANG'S WANG FANG MEETS VISITING SOCIOLOGIST

OW170525 Hangzhou ZHEJIANG RIBAO in Chinese 10 Mar 86

[Text] Leading comrades of the provincial party committee, the provincial government, and the provincial CPPCC Committee Wang Fang, Xue Ju, Mu Minda, Wang Jiayang, and Zhu Zhiguang met with Professor Fei Xiaotong, vice chairman of the CPPCC National Committee, permanent vice chairman of the Central Committee of the China Democratic League and famous sociologist, on the afternoon of 9 March. Comrade Wang Fang said: Professor Fei Xiaotong has offered us useful suggestions during his current fact-finding tour of the rural areas in Wenzhou, Zhejiang Province. We should speed up reform in the circulation field in order to keep abreast of the growth of production.

HEBEI CPC DEALS WITH CYL FALSE ACCUSATIONS CASE

SK120740 Shijiazhuang Hebei Provincial Service in Mandarin 2300 GMT 24 Feb 86

[Text] On 24 February, the provincial CPC Committee announced that a few staffers of the provincial CYL Committee who had engaged in nonorganizational activities and lodged false accusations against others should be strictly dealt with. The provincial CPC Committee decided to dismiss Wang Xiwen from the party and from his posts of Standing Committee member of the provincial CYL Committee, director of the Student and Juvenile Department, and secretary general of the provincial Student Federation. He was transferred from CYL Committee to another organ and assumed general work. The provincial CPC Committee punished Zheng Weimin and Wu Guotang, cadres of the Research Office under the provincial CYL Committee, by placing them under 2-year probation within the party, and transferred them from the CYL organs down to the grass-roots level units in order to enable them to receive training.

In July 1985, Wang Xiwen, who was a Standing Committee member of the provincial CYL Committee and director of the Student and Juvenile Department, went to the Yangcun normal school in Langfang Prefecture under the pretext of learning about the ideological and political work among the students and, personally extorted three items of material evidence related to the principal responsible comrade of the provincial CYL Committee by deceiving the school party organization. Then, Wang Xiwen also went to Hebei Normal University without informing the party organization of the provincial CYL Committee to learn about the behavior of the principal responsible comrade of the provincial CYL Committee during the Great Cultural Revolution. He again extorted material evidence by deceiving the university party organization. The four items of material evidence privately extorted by him were presented to Zheng Weimin, cadre of the Research Office under the provincial CYL Committee, who with the assistance of Wu Guotang, cadre of the Research Office under the provincial CYL Committee, wrote false accusations based on the materials offered by Wang Xiwen with regard to the serious mistakes committed by the principal leading personnel of the provincial CYL Committee during the Cultural Revolution, by reasoning from analogy and making up stories, and by saying that his mistakes were left out from the party rectification drive.

Originally, the party organization clearly investigated behavior of the principal leading comrade of the provincial CYL Committee during the Cultural Revolution. Although one item of material evidence privately extorted by Wang Xiwen with regard to the general party branch of the Yangcun Normal School proved that the comrade joined as only an ordinary member an organization of a certain faction of the school at the time and did not engage in the activities of beating, smashing, and looting during the Cultural Revolution period, the false accusation material against the comrade to the contrary described him as the chieftain of the faction in the school and a man of the hour during the Cultural Revolution, who had a vital bearing on the political fate of the school at that time. They also concocted material indicating that the comrade indulged in defending with force and destroyed a big building by setting it on fire, resulting in destruction of the state fixed assets in one day. As a matter of fact, the school at that time had no high building at all and suffered no fire disaster. The material also falsely accused the provincial CYL Committee's principal leading comrade by stating that the comrade was an expert in persistently defending with force and paying no attention to attacking with reason, and occupied a decisive position at that time, and that the comrade considered state property as his playthings and smashed or destroyed them at his own will. The first manuscript of the materials, written by Zheng Weimin, did not satisfy the attempt of Wu Guotang, who further embellished the stories in the materials. Zheng Weimin and Wu Guotang also respectively wrote accusation materials against the principal responsible comrade of the provincial CYL Committee.

The accusation materials written by Zheng Weimin were not signed by himself, but by three middle-level cadres of the provincial CYL Committee, thus usurping their names. The accusation material written by Wu Guotang was signed by 16 persons who were considered having actively joined the accusation. According to the investigation data, some of these people have never seen the accusation materials and some never saw their names on the material, although they looked over the accusation materials. Some were hurriedly informed of the accusation material by Wu Guotang after the arrival of the work team dispatched by the provincial CPC Committee to the provincial CYL Committee.

Wang Xiwen, Zheng Weimin, and Wu Guotang successively printed more than 40 copies of the three accusation materials, which were submitted to the central authorities, the leading comrades of the provincial CPC Committee, and the departments concerned. Upon receiving the accusation materials, the provincial CPC Committee dispatched a work team to investigate the case and to discover the facts. As of now, the team has clearly found that the accusations stated in the materials were exaggerated; some accusations had been fabricated and were false; and some accusations had deliberately connected the cases that occurred at lower levels with the responsible personnel at higher levels in order to launch a personal retaliatory strike. The accusation materials were full of erroneous practices in their form and contents, which were performed during the Cultural Revolution period, and possess prominent manifestations of the lingering influence of the Cultural Revolution.

#### Committee Comments

SK120750 Shijiazhuang Hebei Provincial Service in Mandarin 2300 GMT 24 Feb 86

[Text] The provincial CPC Committee recently approved and transmitted the report by its work group on the crimes committed by a few members of the provincial CYL Committee who indulged in nonorganizational activities and lodged false accusations against others, and on the handling of this case. The provincial CPC Committee called on party organizations at all levels in the province to regard this case as a negative example which may serve as a lesson, and to conduct education on discipline and on negating the Cultural Revolution among the broad masses of party members in order to further improve the quality of party members and cadres and strengthen the fighting capacity of party organizations.

The comments by the provincial CPC Committee on this case read: With serious individualistic thinking, Wang Xiwen, Standing Committee member of the provincial CYL Committee and director of the Student and Juvenile Department, and Zheng Weimin and Wu Guotang adopted mean tricks that prevailed during the Cultural Revolution period to practice fraud and wantonly lodge false accusations against others, thus seriously violating the party's principle of seeking truth from facts and the party's organizational discipline and being a typical case reflecting the leftover trends of the Cultural Revolution. To enforce party discipline, it is completely correct to punish these people according to party discipline.

Indulging in nonorganizational activity and lodging false accusations against others are prohibited by party discipline. Such practices will weaken the fighting will of cadres, hinder the normal work of party and government organs, and affect unity and stability.

Nearly 10 years have passed since the smashing of the gang of four, and after undergoing party rectification, some people are still affected by leftover trends of the Cultural Revolution and continue to create ideological and organizational confusion to achieve personal goals by means of lodging false accusations against others. The problem of lodging false accusations against others exists not only at the organs of the provincial CYL Committee, but also in other provincial-level organs. Party organizations at all levels must have a clear understanding of this situation, and should severely punish those who lodge false accusations against others after their crimes are verified, in order to resolutely prevent such an evil trend from spreading.

To enable the broad masses of party members and cadres to draw a lesson from this case, the provincial CPC Committee has decided to circulate this case to party organizations at all levels across the province, and to use this case as a negative example to conduct education on discipline and on negating the Cultural Revolution among the broad masses of party members in order to further improve the political quality of party members and cadres and strengthen the fighting capacity of party organizations.

NEI MONGGOL STUDIES ARMED FORCES DEPARTMENTS TRANSFER

SK160828 Hohhot Nei Monggol Regional Service in Mandarin 1100 GMT 15 Mar 86

[Text] On 13 March, the regional CPC Committee and government and the Nei Monggol Military District jointly held a meeting to study and work out plans for transferring banner and county people's armed forces departments to the local organizational system.

Bu He, Cai Ying, Zhou Rongchang, Ma Zhenduo, Liu Yiyuan, and Chenghai, as well as other leading comrades of the regional party, government and Army organs attended the meeting. At the meeting, Comrade Cai Ying first introduced the overall plan of the military organs on transferring the people's armed forces departments to the localities, and relayed the opinions of the leading cadres of the Beijing Military Region. He said: Through conducting education and making organizational preparations in the previous stage, our region has basically prepared everything for transferring the people's armed forces departments to the local organizational system. He stressed that efforts be made to strengthen leadership over the transfer work and to try to avert unhealthy trends and various accidents.

In his speech, Comrade Bu He said: Transferring banner and county people's armed forces departments to the local organizational system is of great significance in strengthening the building of the PLA and the militia. The local CPC committees and governments at all levels should conscientiously implement this strategic policy decision of the central authorities and grasp it firmly and earnestly.

Comrade Bu He pointed out: The work of transferring the people's armed forces departments to the local organizational system will involve the immediate interests of many people. Our leaders at all levels should be more thoughtful and should make preparations, and help them solve the practical problems in the transfer work.

HEILONGJIANG PARTY STYLE RECTIFICATION MEETING ENDS

SK170400 Harbin Heilongjiang Provincial Service in Mandarin 1000 GMT 14 Mar 86

[Text] The 5-day meeting on rectification of party style held by the provincial CPC Committee concluded this morning. Liu Chengguo, deputy secretary of the provincial CPC Committee, summed up the meeting. During the meeting, participants conscientiously studied the important speeches and written instructions by central leading comrades regarding the rectification of party style, as well as the guidelines of the seventh meeting of the Central Discipline Inspection Commission. Participants also listened to the speech by Comrade Sun Weiben and the report by Comrade Wang Fei; made an analysis of the current situation with regard to party style; discussed and studied the goal, task, and measures for the rectification of party style in 1986; and exchanged their experiences in improving party style. Participants unanimously voiced the opinion that this meeting yielded many results.

This meeting greatly mobilized the whole party to grasp party style, and provided a good beginning for fundamentally improving the party style. The meeting called on all localities to conscientiously relay and implement its guidelines at each level, to make sure that the guidelines are firmly grasped step by step, and to give meticulous guidance to respective cases. The meeting pointed out: The key to implementing the guidelines of this meeting lies in the adherence to a realistic style of work. That is, we should make clear investigations and real corrections, make real investigations and impose actual punishments, and teach and genuinely help others. In addition, specific plans should be formulated to rectify party style. In order to avoid confusion, such plans should clearly define what problems should be solved, when a problem should be solved, and to what extent a problem should be solved. Meanwhile, we should establish and improve the responsibility system in rectifying party style. We should also attend to investigating and dealing with major cases in order of importance and urgency, and select some typical cases to be dealt with openly so that we can enhance the initiative and confidence of the masses, deter the unhealthy trends, and frighten the evildoers. At the same time, we should attend to supervision and inspection.

The meeting called on CPC committees and leading party groups at various levels to arrange the situations of their subordinate localities and departments on rectifying party style in order of importance and urgency, and strive to have a fairly clear idea of these situations. Then, they should set forth different demands on different cases, instead of treating all cases the same. CPC committees and leading party groups at all levels should wholeheartedly support the work of discipline inspection departments, and all discipline inspection departments should also work out their own work methods to cope with new situations.

JILIN PROVINCIAL PEOPLE'S CONGRESS SESSION ENDS

SK170549 Changchun Jilin Provincial Service in Mandarin 2200 GMT 16 Mar 86

[Excerpts] After an 8-day meeting, the fourth session of the sixth Jilin Provincial People's Congress successfully concluded at the auditorium of the provincial guesthouse on the afternoon of 16 March. The session urged the people of various nationalities throughout the province to unswervingly implement the party's line, principles, and policies, as well as the results scored in conducting reforms in various fields; to unite as one in waging struggles and work hard by displaying the spirit of the foolish old man removing mountains, and to strive to fulfill the tasks set forth by the session in order to take the first step in a down-to-earth manner in implementing the Seventh 5-Year Plan.

Since the opening of the fourth session of the sixth provincial People's Congress on 9 March, participating deputies have fully exercised their right and duty imposed by the Constitution. They have heard and examined the work report given by Governor Gao Dezhan on behalf of the provincial people's government, the report on the draft final accounts of the 1985 financial revenues and the draft 1986 financial revenues, the work report given by the provincial People's Congress Standing Committee, the work report given by the provincial Higher People's Court, and the work report given by the provincial People's Procuratorate. They have expressed their satisfaction with the work done by the provincial people's government over the past year. They have also said freely what is on their minds, put forward many opinions and suggestions related to the reports made at the session, and concentratedly relayed the desire and demands of the people of various nationalities throughout the province.

Presiding over the session of 16 March were, in the order of the number of strokes in the surname, Wang Jiren, Wang Xianjin, Renqinzhamusu, Cheng Shengsan, Liu Cikai, Wu Duo, Yu Ruihuang, Zhao Xiu, Gao Di, Xu Yuancun, Cui Lin, Dong Su, and Huo Mingguang. Members of the session presidium were seated on the rostrum. Also seated on the rostrum were leading comrades from the provincial CPC Committee, the provincial Advisory Commission, the provincial people's government, and the provincial CPPCC Committee, including Gao Dezhan, Wang Zhongyu, Wang Daren, Zhang Shuying, (Du Xingyun), Liu Shulin, Zhang Fangqi, Zhang Dexin, Guan Mengjue, Luo Yuejia, Xin Cheng, Jin Minghan, and Cai Yiyun; Song Keuhan, member of the Central Discipline Inspection Commission; retired veteran cadres, including Li Diping, Yu Lin, Yu Ke, Zhang Kaijing, Mu Lin, Zhao Tiangye, Yang Zhantao, Che Minqiao, and Cui Cai; Wang Hongmo, president of the provincial Higher People's Court; and Li Xiangwu, chief procurator of the provincial People's Procuratorate.

Deputies attending the session totaled 509. At the session, participating deputies unanimously approved the resolution on the provincial people's government work reports made at the sessions of the sixth provincial People's Congress, the resolution on the 1986 plan for the national economy and social development, the resolution on the 1985 final accounts and the 1986 budget, the resolution on the work report made by the provincial People's Congress Standing Committee, the resolution on the work report made by the provincial Higher People's Court, and the resolution on the work report made by the provincial People's Procuratorate.

The session also heard and approved the report given by Liu Cikai, chairman of the motions examination committee of the fourth session of the sixth provincial People's Congress, with regard to motion examinations.

At the session, Comrade Zhao Xiu delivered a speech in which he stated: The session proceeded not only in a serious and earnest manner, but also in a lively way, and was filled with an atmosphere of democracy and unity from beginning to end. During the session, the provincial CPC Committee and the session's presidium attached great importance to the opinions voiced by the deputies, particularly to their objections, and respected the democratic right exercised by the deputies.

Thanks to the effort unanimously exerted by all deputies, the session successfully fulfilled the fixed tasks and turned itself into a meeting in which cadres and the masses at all levels throughout the province had been mobilized to strive to fulfill the tasks set for the first year of the implementation period of the Seventh 5-Year Plan, and into a meeting of democracy, unity, and victory.

Also attending the session as observers on 16 March were responsible persons from the commissions, office, departments, and bureaus under the provincial people's government, the People's Congress Standing Committee of cities, autonomous prefectures, counties, and districts; and the Baicheng office.

#### PEOPLE'S CONGRESS SESSION OPENS IN LIAONING

SK130617 Shenyang Liaoning Provincial Service in Mandarin 1030 GMT 12 Mar 86

[Excerpts] This afternoon the Great Hall of the Liaoning People's Theater was decorated with lanterns and colored ribbons, and was filled with a warm atmosphere. The fifth session of the sixth provincial People's Congress ceremoniously opened here.

At 1430 the session opened amid the playing of the national anthem. More than 800 people's deputies attended the session. Executive chairmen seated in the front of the rostrum were Li Guixian, Guo Feng, Dai Shuli, Zhang Zhengde, Li Tao, Sun Gi, Wang Quangzhong, Xie Huangtian, Zhang Tiejun, Lou Erkang, Tanh Hongguang, Gu Jingxian, Liu Zenghao, Feng Yousong, Zhang Zhiguan and Cui Ronghan. Attending as voting and nonvoting delegates were Liu Jingsong, commander of the Shenyang Military Region; and Li Changchun and Li Zimin, leading comrades of the provincial CPC Committee and Government; Xu Shaofu, chairman of the provincial CPPCC Committee; vice chairmen and members of the provincial CPPCC Committee; and old comrades who had retreated to the second or third echelon.

Zhang Zhengde, chairman of the provincial People's Congress Standing Committee, presided over the first plenary meeting. He said: This year our country will implement the first year of the Seventh 5-Year Plan. We should continue to carry out the guidelines of the National Conference of Party Delegates, consolidate and develop the excellent situation of stability and unity, unswervingly implement the policy of enlivening the domestic economy and opening to the outside world, adhere to the principle of grasping construction with one hand and grasping the legal system with the other, strengthen the building of the socialist spiritual civilization, the socialist democracy, and the socialist legal system, facilitate a fundamental improvement in the work style of state organs and all social conduct, and fulfill this year's tasks more splendidly.

He said: This session will sum up and review the work in various fields carried out in our province since the third session of the sixth provincial People's Congress, and discuss and decide on the major issues concerning our province's reforms and construction. We must hold this session successfully, turning it into a session for enhancing confidence and promoting preforms, and into one for working together for a splended future.

On behalf of the provincial people's government, Governor Quan Shuren gave a report on the outline of Liaoning's Seventh 5-Year Plan.

I. 17 Mar 86

C H I N A  
TAIWAN

V 1

MINISTRY DENIES DEVELOPMENT OF NUCLEAR WEAPONS

OW150311 Taipei CNA in English 0237 GMT 15 Mar 86

[Text] Taipei, March 14 (CNA) — The Ministry of National Defense Friday denied flatly that the Republic of China [ROC] has developed nuclear weapons. Defense Ministry spokesman Gen Chang Hui-yuan said that although the ROC has the capability to manufacture nuclear arms, the nation has not and will never do that because it is a set policy of the government.

Chang made the remark when asked to comment on the recent report of a Hong Kong magazine saying that the ROC has made several atomic bombs. Clarifying Defense Minister Adm Soong Chang-chih's report to the Legislative Yuan recently that the nation has achieved breakthroughs in the development of defensive weapons, Chang said Minister Soong was referring to some conventional defensive arms.

MINISTER SAYS ADB FORMULA 'UNACCEPTABLE'

OW151413 Taipei CNA in English 1349 GMT 15 Mar 86

[Text] Taipei, March 15 CNA) -- Foreign Minister Chu Fu-sung said Saturday that there is little possibility that the Republic of China could be readmitted to other international organizations even if it accepted the "arrangement" of the Asian Development Bank. [ADB] Minister Chu also asserted that the nation's position on its membership in the bank would not make the nation more isolated from the world community.

Speaking at a Legislative Yuan committee meeting, Chu pointed out that the Chinese Communists have spared no efforts to exclude the Republic of China from international organizations. It's impossible that the nation would be readmitted into political or governmental international organizations even if it accepted the "ADB Formula," the minister said. Chu also explained why the nation could not buy the ADB decision to change its official name. Chu revealed that the management of the Asian Development Bank and the Peiping regime have reached a five-point memorandum, under which the Chinese Communists will enter the bank under the name of "The People's Republic of China" while the Republic of China will be redesignated as "Taipei, China."

Chu said that such arrangement was totally unacceptable as no international organization is entitled to take the liberty of redesignating its member country. He pointed out that Peiping's conspiracy in the ADB is part of its ploys to downgrade the status of the Republic of China from a country to a local government. He further indicated that in many international academic meetings or inter-city sports activities, the Chinese Communists also have tried to use the name "Taipei, China," "Kaohsiung, China" vs. "Peiping, China," "Shanghai, China" in an attempt to mislead the world into believing that free China is part of Communist China.

Chu also asserted that the nation has not been isolated from the world, citing as proof that among the nation's 86 representative offices abroad, 57 are located in the countries that maintain no diplomatic relations with this country; there are also 21 countries that have no diplomatic ties with the ROC have established a total of 28 offices here; more than 30 Japanese, American and European banks have set up branches here; over 7,000 foreign dignitaries visit Taiwan annually as government guests; and hundreds of thousands of local people go abroad on business or sightseeing trip every year.

I. 17 Mar 86

V 2

CHINA  
TAIWAN

TAIWAN, PHILIPPINES TO STRENGTHEN COOPERATION

OW170321 Taipei CNA in English 0252 GMT 17 Mar 86

[Text] Taipei, March 15 (CNA) -- The Government of the Republic of China and the Philippines have agreed that the cooperative relations between the two nations should be continued and strengthened, Foreign Minister Chu Fu-sung said Saturday.

Reporting to the Foreign Affairs Committee of the Legislative Yuan, Chu said that David Liu Tsung-han, representative of the Manila office of the Pacific Economic and Cultural Center, has met with the Philipine President Corazon Aquino, Vice President Salvador Laurel and other ranking officials. Chu said that new Philipine leaders have expressed that the ROC-R.P. cooperative relations should be further enhanced based on the current foundation.

PREMIER YU ON PROMOTION OF CONSTITUTIONAL RULE

OW141439 Taipei CNA in English 1415 GMT 14 Mar 86

[Text] Taipei, March 14 (CNA) -- Premier Yu Kuo-hwa said Friday that it is the prime goal of the Republic of China Government to enhance national security, improve the living standard of the people, and to promote democratic and constitutional rule.

Answering an interpellation by Legislator Yang Pao-ling at the Legislative Yuan, Yu stressed that it is the long-standing policy of the government to promote democratic and constitutional rule. Yu said that in promoting democratic and constitutional rule the government must take national security into consideration at a time when the nation is facing a growing threat from the enemy. Freedom and democracy will lose value when the security of the nation is in danger, he added.

Meanwhile, Minister of National Defense Soong Chang-chih said Friday that the government will never allow communist propaganda to spread in Taiwan, and neither will it allow the so-called Taiwan independence elements to sow seeds of discord in this country.

Speaking at a Legislative Yuan meeting, Soong said that the government has always respected freedom of speech. He urged those people who have said and written libelous things in the name of freedom of speech to restrain themselves.

I. 17 Mar 86

CHINA  
HONG KONG MEDIA ON CHINA

W 1

NEW REGULATIONS ISSUED ON SHENZHEN ENTRY, EXIT

HK140700 Hong Kong WEN WEI PO in Chinese 12 Mar 86 p 3

[*"Special dispatch"* by reporter Li Chao-hui: "Regulations on Passing Shenzhen's Second Control Line Promulgated"]

[Text] Guangzhou, 11 Mar -- The Guangdong Provincial People's Government will officially promulgate tomorrow the "regulations on administering personnel flow between the Shenzhen Special Economic Zone and the hinterland," which are to be enforced as of 1 April on the land control line of the Shenzhen Special Economic Zone (Shenzhen's second line). The regulations stipulate that the land control line, complete with management facilities, between the special zone (referring to Shenzhen, as below) and the hinterland is patrolled and administered by the people's armed police units. The patrol road on the land control line is provided specifically for the armed police and the inspection and administrative personnel on point duty. The sections formerly used for civilian purposes are still open to civilian vehicles.

The highway junctions at Natou, Baimang, Buji, Shawan, Yantian, and Beijiaokou along the land control line are provided for personnel and vehicles traveling between the special zone and the hinterland. The border public security departments and the customs house have respectively set up institutions at the junctions to carry out inspection and management. At 29 points on the land control line a sidewalk junction is set up specifically for residents in the vicinity of the line, as well as their tractors, it should be used to cross the designated junctions when traveling to and from the special zone, and these people are subject to the inspection and management of the border security departments.

At Gupojiao and Beizaijiao (at Dameisha for the time being) along the coast of the special zone, marine public security checkpoints are set up where the border public security departments inspect personnel, ships, and boats traveling between the special zone and the hinterland by sea. The piers at Dongjiaotou and Shangbu in the special zone are provided for personnel, ships, and boats traveling to and from the special zone by sea. The border public security departments and the customs house have set up checkpoints here to carry out inspection and management. At such gateways as the Luohu railway terminal, the pier of the Shekou industrial zone, and Chiwan pier in the special zone, special purpose passageways where the customs house and the border security departments inspect goods and personnel have been set up for personnel traveling between the special zone and the hinterland.

At the special zone's railway cargo station, a supervisory body has been set by the customs house in order to carry out inspection and management in accordance with the relevant stipulations of the customs house.

The regulations point out that foreigners, Overseas Chinese, and compatriots from Hong Kong, Macao, and Taiwan should hold valid entry and exit permits when they travel between the special zone and the hinterland. When going from the special zone to the hinterland, people from Hong Kong and Macao who make investments, set up factories, run various undertakings, or own residential houses in the special zone should go to the border checkpoint of the original port of entry to go through the formalities. People from Hong Kong and Macao driving motor vehicles to the hinterland via the special zone should have their "entry permits for Hong Kong and Macao compatriots" endorsed and should hold driver's licenses and license plates issued by our country.

The stipulations also stress that those violating the relevant clauses of these regulations will be punished according to the seriousness of the case, including disciplinary warnings, seizure of papers, confiscation of luggage, fines, and administrative detention. Those violating the criminal law and committing crimes will be punished according to the law.

To counter the prevailing argument in society that "Shenzhen will be strangled following the official implementation of the second control line," a relevant person of the Guangdong provincial office in charge of the special zones said: The control line of the Shenzhen Special Economic Zone has been tested a restricted basis for more than 1 year and, after being formulated by the People's Congress, the regulations will be promulgated by the provincial government and will be enforced as of 1 April. This is but a necessary measure to further perfect and rationalize the control line. For this reason, the issue of "strangling Shenzhen" is a moot point.

Following the trial implementation of the control line of the special zone from 1 August 1984 to December 1985, the joint checkpoints at six highway junctions checked and let pass more than 60 million passengers and more than 9 million motor vehicles. It was easy for both personnel and vehicles to travel to and from the special zone, and commodities flew freely. In the past 1 year and more, the joint checkpoints tracked down and seized contraband worth more than 15 million yuan. Of this, the value of the resold "donated" goods and materials (most of them cars) amounted to 10.8 million yuan. They also tracked down taxable goods and articles brought into the special zone in violation of the regulations, worth about 70 million yuan. They refused entry to people without the necessary papers, and educated and dealt with those who altered their papers, impersonated another, or violated other regulations -- more than 100,000 cases -- thus satisfactorily bringing into play the efficacy of the special zone's control line.

#### SHENZHEN TO BE 'FENCED OFF' FROM MAINLAND

HK140520 Hong Kong HONG KONG STANDARD in English 14 Mar 86 p 1

[Text] The Shenzhen Special Economic Zone will be fenced off from other parts of China's mainland when the zone's second border comes into operation on April 1. Foreign visitors, including Hong Kong people, will have to produce their travel documents when they enter the mainland from Shenzhen, but entry procedures from Hong Kong to Shenzhen will be simplified.

But Hong Kong and Macao people who have invested in Shenzhen might be inconvenienced when they want to go to their parts of China from the special economic zone. They will have to get back to the border checkpoint, where they entered Shenzhen for immigration clearance, before they can travel to places beyond the second border.

These were set out in a legal document approved by the Guangdong Provincial Government. It was published in Wednesday's NANFANG RIBAO the Guangdong provincial newspaper. According to the document, China will set up six checkpoints along the new border to be manned by the Chinese Customs and the border division of Shenzhen Public Security Bureau.

The document was awaiting approval from the Standing Committee of Peoples' Congress of Guangdong Province in late February before it was released on Wednesday. While the document imposes tight controls over unauthorised access to Shenzhen, including members of the People's Liberation Army and uniformed police, it gives no provisions for duty-free imported goods to Shenzhen.

A China specialist, Dr Thomas Chan, Research Officer of Centre of Asian Studies, University of Hong Kong, said the second border could better be construed as a measure to check illegal trade between Shenzhen and the mainland, rather than policy to encourage foreign investments in the region. Most of the imported goods will continue to be taxed by the Chinese Customs in Shenzhen, said Dr Chan. He pointed out that China had dropped the original idea of promoting Shenzhen as a free trade zone and, consequently, the purpose of the second border was also changed.

PRC, PORTUGAL TO DISCUSS MACAO'S FUTURE IN MAY

HK150600 Hong Kong SOUTH CHINA MORNING POST in English 15 Mar 86 p 10

[By Donald Cheung]

[Text] The Sino-Portuguese talk on Macao's future will be held in Beijing in May, the government-run Radio Macao announced yesterday. Quoting Portuguese Foreign Ministry sources, the radio reported that the decision had been reached recently in Lisbon between top Chinese and Portuguese officials. A Chinese delegation, headed by China's Public Health Minister, Mr Cui Yueli, was in Lisbon about a week ago for the inauguration ceremony of the new Portuguese President, Dr Mario Soares. President Soares was said to have received the Chinese representatives, who included the Deputy Foreign Minister, Mr Zhou Nan, who was the leader of the Chinese team during the Sino-British talks on Hong Kong's future. It is understood that the Chinese delegates had also met Portugal's Prime Minister, Dr Cavaco Silva, and Foreign Minister, Dr Pires Miranda.

The latest development regarding the talks, it was learned, stemmed from a front-page story in yesterday's O JORNAL, a leading Portuguese weekly.

The news did not come as a surprise, according to some observers, but they wondered if the decision was hasty, taking into account the fact that members of the Portuguese negotiating team have yet to be named. Some Portuguese diplomats in Lisbon have been quoted as saying that the President is still picking his team of officials for the comming Beijing talks.

Sources close to Beijing in Macao yesterday refuted suggestions that China had put pressure on the Portuguese to start the talks as soon as possible. "It can't be a unilateral demand. It's just that the conditions are ripe now (for the talks to start)," said one source. But the explanation countered earlier thinking by some well-informed pro-Beijing sources in Macao that the date for the talks could be delayed because of political uncertainty in Portugal.

Some analysts said the May meeting may only be a curtain raiser, after which both sides would meet again for detailed discussions. Meanwhile, some Lisbon reports said that a special presidential envoy will visit Macao "very soon" to seek the views of community leaders on the appointment of a new governor for the territory. Three candidates are said to be on the short-list, two civilians and a military officer, but their names have not been revealed.

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